

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554**

In the Matter of)	
)	WC Docket No. 09-197
TracFone Wireless, Inc.)	CC Docket No. 96-45
)	
Petition for Declaratory Ruling)	
)	

PETITION FOR DECLARATORY RULING

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SUMMARY

TracFone Wireless, Inc. (“TracFone”) requests the Commission to issue a declaratory ruling confirming that: (1) an Eligible Telecommunications Carrier (“ETC”) may not receive reimbursement from the federal Universal Service Fund (“USF”) for providing Link Up benefits unless the ETC has and routinely imposes on its customers a customary charge for commencing telecommunications service; (2) a wireline ETC may not expand its USF-supported services to include wireless service without obtaining approval from the proper authority; and (3) to be designated as an ETC in a particular state, a carrier must use some of its own facilities to provide USF-supported services within the carrier’s service area in that state.

The federal Link Up program provides ETCs with reimbursement for reducing their customary charges for commencing service or for deferring the payment of such charges. TracFone is aware that at least one ETC, Nexus Communications, Inc. DBA ReachOut Wireless (“ReachOut”), has imposed activation charges on its Lifeline customers for commencing service, notwithstanding the fact that many of its customers, including all of its Lifeline customers in several states, are not required to pay any portion of the so-called “customary” service activation charge that is not paid by the USF. TracFone asks the Commission to confirm that only charges which are customary or usual charges for commencing telecommunications service are eligible for Link Up reimbursement and to find that activation charges that are waived or that can be reduced or eliminated by purchasing additional airtime are not customary charges for commencing service.

TracFone further requests the Commission to issue a ruling clarifying that a carrier designated as an ETC for purposes of offering wireline services may not rely on that designation to expand its service to include wireless services in a state where the state commission lacks jurisdiction to designate a wireless carrier as an ETC. This clarification is necessary to ensure

that carriers receive the appropriate statutorily-required authority prior to providing wireless USF-supported services as an ETC, including Lifeline and Link Up service, to low-income consumers in a state.

Finally, TracFone seeks a declaratory ruling that the facilities-based service requirement for ETCs means a carrier must use at least some of its own facilities to provide USF-supported service in a state to be designated as an ETC in that state. In addition, TracFone requests that the Commission clarify that a carrier may not rely on the fact that it has wireline facilities to meet the facilities requirement for purposes of offering wireless USF-supported services, unless those wireline facilities are being used to transmit or route the wireless services that are designated for support. TracFone also requests that the Commission require proof from an ETC applicant that it has facilities and that it will be using its own facilities at least in part to transmit or route the USF-supported services to be provided in the state for which the carrier seeks ETC designation.

The requested rulings are necessary to ensure that disbursements from the federal USF are only received by properly-designated ETCs and are only used to support services as allowed by the Commission's rules. The requested declaratory ruling will also provide necessary clarification to carriers regarding the use of facilities that is required in order for those carriers to be approved as ETCs to provide USF-supported services in a particular state.

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PETITION FOR DECLARATORY RULING

TracFone Wireless, Inc. ("TracFone"), pursuant to Section 1.2 of the Commission's rules (47 C.F.R. § 1.2) hereby requests that the Commission issue a declaratory ruling confirming the following: (1) an Eligible Telecommunications Carrier ("ETC") is not eligible to receive reimbursement from the federal Universal Service Fund ("USF") for providing Link Up benefits unless the ETC has and imposes on its customers a customary charge for commencing telecommunications service; (2) a carrier designated as an ETC to provide wireline services may not expand its USF-supported services to include wireless services without obtaining wireless ETC designation from a designating authority authorized to designate wireless ETCs in the service area; and (3) to be designated as an ETC in a state, a carrier must use some of its own facilities to provide USF-supported services within the carrier's service area in that state.¹

BACKGROUND

TracFone has been designated as an ETC for the purpose of providing Lifeline service to qualified low-income households in thirty-four states. Since TracFone provides commercial mobile radio service ("CMRS") on a resale basis, it is prohibited from being designated as an

¹ Although the facilities requirement in Section 214(e)(1)(A) of the Communications Act of 1934 ("Act"), as amended, (47 U.S.C. § 214(e)(1)(A)) applies to both the high-cost program and the low-income program supported by the federal USF, TracFone's Petition focuses on the low-income program.

ETC by Section 214(e)(1)(A) of the Communications Act of 1934, as amended, and by Section 54.201(d)(1) of the Commission's rules. For that reason, in 2004, TracFone petitioned the Commission to exercise its authority to forbear from application and enforcement of the facilities-based service requirement. TracFone's forbearance petition was granted by the Commission in September 2005.² However, the Commission's exercise of its forbearance authority was made subject to several conditions and limitations. Among those limitations is that the scope of forbearance is limited to Lifeline service. As a wireless reseller, TracFone may only be designated as an ETC in order to provide Lifeline service. TracFone has accepted the conditions and limitations imposed by the Commission. However, it believes that similarly-situated carriers should be subject to comparable conditions and limitations. Moreover, as an ETC and as a carrier which contributes to the USF, TracFone is concerned that the USF resources be used only for their intended purposes and that carriers should not be allowed to receive USF funding for any purposes other than to support Commission-approved USF programs in accordance with applicable Commission rules.

TracFone has become aware that at least one ETC is receiving Link Up support, even though that carrier does not impose a customary charge on its customers for commencing telecommunications service. As described in this Petition, TracFone is specifically aware of one such company; there may be others. TracFone asks the Commission to confirm that under the Link Up program ETCs may only receive reimbursement from the federal USF for activation or connection charges that are, in fact, "customary charges," i.e., charges that are actually imposed on and paid by all of that carrier's customers, not just those customers for which the carrier receives support from the low-income programs of the USF.

² Federal-State Joint Board on Universal Service; Petition of TracFone Wireless, Inc. for Forbearance from 47 U.S.C. § 214(e)(1)(A) and 47 C.F.R. § 54.201(i), 20 FCC Rcd 15095 (2005).

TracFone is also aware of one wireline ETC that was designated as an ETC by a state commission without authority to designate wireless ETCs, but that appears to be providing wireless Lifeline in that state without having been designated as a wireless ETC by this Commission. That ETC should not be permitted to offer any wireless service supported by the USF, including Lifeline or Link Up service, nor to seek reimbursement from the federal USF without being designated by this Commission as an ETC to provide wireless services supported by the USF.

Finally, TracFone seeks clarification regarding the requirement in Section 214(e)(1)(A) of the Act that an ETC provide USF-supported services, at least in part, using its own facilities. In particular, TracFone asks the Commission to confirm that the facilities upon which a carrier relies to meet the facilities requirement in Section 214, must be used to provide the USF-supported services in the state for which the carrier seeks to be designated as an ETC.

Grant of this Petition will ensure that ETCs only receive reimbursement from the federal USF for services that are intended to be subject to USF support and that only properly-designated ETCs may provide Lifeline and Link Up service, and will provide clarification to carriers regarding the use of their own facilities that is necessary in order for a carrier to be qualified for ETC designation in a specific state.

I. An ETC Providing Link Up Benefits May Only Receive Reimbursement from the Federal USF for Reducing Its Customary Charge for Commencing Service or for Deferring Such a Charge without Interest.

Commission Rule 54.411(a) provides:

For purposes of this subpart, the term “Link Up” shall describe the following assistance program for qualifying low-income consumers, which an eligible telecommunications carrier shall offer as part of its obligation set forth in §§54.101(a)(9) and 54.101(b):

- (1) A reduction in the carrier’s customary charge for commencing telecommunications service for a single telecommunications connection at

a consumer's principal place of residence. The reduction shall be half of the customary charge or \$30.00, whichever is less; and

(2) A deferred schedule for payment of the charges assessed for commencing service, for which the consumer does not pay interest. The interest charges not assessed to the consumer shall be for connection charges of up to \$200.00 that are deferred for a period not to exceed one year. Charges assessed for commencing service include any charges that the carrier customarily assesses to connect subscribers to the network. These charges do not include any permissible security deposit requirements.

The purpose of the Link Up program is to provide qualified low-income households with discounts on initial customary charges for commencement of telecommunications service. Under Commission Rule 54.413 (47 C.F.R. § 54.413), ETCs "may receive universal service support reimbursement for the revenue they forgo in reducing their customary charges for commencing telecommunications service and for providing a deferred schedule for payment of the charges assessed for commencing service for which the consumer does not pay interest, in conformity with §54.411."

In accordance with the Commission's rules, the Link Up program provides ETCs with reimbursement for reducing their customary charges for commencing service or for deferring the payment of such charges. Thus, the charges must be the usual or regular charges carriers routinely impose on their customers for commencing service. Moreover, the charges must be actual charges that must be paid by the customers in order to initiate service, rather than charges fabricated by carriers for the purpose of receiving funds from the federal USF. TracFone is aware of at least one ETC which claims to provide Link Up benefits, and in fact receives reimbursement from the federal USF for those purported benefits, but does not appear to actually impose the full amount of its claimed "customary" charges for commencing service on its non-Lifeline/Link Up customers nor on its Lifeline/Link Up customers. This conduct constitutes

waste, fraud, and abuse of USF funds, is in facial violation of applicable Commission rules, and must not be countenanced by the Commission.

Nexus Communications, Inc. (“Nexus”) DBA ReachOut Wireless (“ReachOut”) offers Lifeline and Link Up service as a designated ETC in several states. According to the terms and conditions posted on its website, ReachOut nominally charges a service activation fee of \$72.00.³ The terms and conditions note that “[a] portion of your Service Activation Fee (“SAF”) may be paid by your eligibility for Link-Up.” Furthermore, customers are “solely liable for the remaining balance, if any, to the Service Activation Fee (“SAF”) not covered by Link-Up.” However, for residents of the states of Georgia, Mississippi, New Jersey, and West Virginia, “the balance of the \$72 Service Activation Fee not covered by Link-Up is waived.” Thus, in the majority of the states in which ReachOut offers Lifeline and Link Up, qualified low-income customers are liable for \$42.00 of the activation fee (i.e., \$72.00 - \$30.00 (the amount covered by Link Up)), but in four states customers are not liable for any part of the activation fee. In those states, the federal USF does not cover one-half of the “customary” activation charge as required by Section 54.411(a)(1) of the Commission’s rules, it covers the entire activation charge since the customer is required to pay nothing beyond the amount which the carrier receives in Link Up support from the USF.

In those four states, customers eligible for Link Up are only charged an activation fee to the extent that the fee can be recovered by ReachOut from the federal USF. In short, when a carrier imposes an activation fee only when the fee is covered by the USF, then it does not impose a “customary” activation fee on its customers. While a carrier has the right to waive fees, the fact that the balance of the activation fee not covered by the USF through the Link Up

³ <http://www.reachoutmobile.com/terms.php>, viewed November 30, 2010. A copy of ReachOut’s Terms and Conditions of Service is provided as Attachment 1.

program is waived for every customer in at least four states indicates that the charge is not a “customary” charge, but rather a charge imposed solely to take advantage of federal funds available from the Link Up portion of the USF.

In those states where the portion of the Service Activation Fee not paid by the USF is not waived, ReachOut allows its Lifeline customers to defer payment of the Service Activation Fee.⁴ As stated in the terms and conditions: “The remaining balance, if any, to the Service Activation Fee (“SAF”) not covered by Link-Up will be automatically deferred over a period of twelve (12) months.” However, even in those states, it does not appear that ReachOut customers actually have to pay any portion of the service activation fee themselves. Lifeline customers who are liable for the deferred portion of the service activation fee can reduce the balance of the fee by purchasing additional airtime. ReachOut’s terms and conditions provide:

Optional Deferred Service Activation Fee Credits: If any additional airtime is added to your ReachOut Wireless account via purchase of additional airtime, a credit will be applied to the remaining balance, if any, to the Service Activation Fee (“SAF”) based upon the dollar amount of the purchase. No Optional Deferred Service Activation Fee Credits will be applied if no balance exists on your Service Activation Fee (“SAF”). Optional Deferred Service Activation Fee Credits applied to any remaining Service Activation Fee balance, if any, will be applied as follows: \$5.00 Additional Airtime - \$1.50 Credit; \$10.00 Additional Airtime - \$3.00 Credit; \$20.00 Additional Airtime - \$6.00 Credit; \$30.00 Additional Airtime - \$9.00 Credit; \$50.00 Additional Airtime - \$15.00 Credit.

See Attachment 1.

ReachOut also offers a “Deferred Service Activation Fee Credit Bonus” which provides enhanced credits which differ based on whether the customer is an existing customer or a new subscriber. Thus, a ReachOut Link Up customer can fulfill the entirety of the purported obligation to pay a deferred service activation fee by purchasing additional service. A Link Up

⁴ Lifeline customers in Georgia, Mississippi, New Jersey, and West Virginia do not need to defer any payments because in those states ReachOut waives any activation fees that are not covered by Link Up.

customer who is nominally liable for a \$72.00 activation fee will have \$30.00 of that “customary” fee covered by the federal USF and then owe the remaining \$42.00 to be paid over the next twelve months (i.e., \$3.50 per month). However, as the customer purchases additional airtime, the customer will receive credits towards the \$42.00 balance. For example, if a customer purchases \$20.00 in additional airtime, he or she will receive a credit of \$6.00 toward the remaining balance owed for the service activation fee. Furthermore, under the “Deferred Service Activation Fee Credit Bonus” provision, a new ReachOut subscriber can receive a dollar-for-dollar credit toward the service activation fee balance.⁵ The fact that ReachOut’s service activation fee is reduced or eliminated by a customer’s purchase of additional airtime indicates that the activation fee is not a “customary” charge within the ambit of 47 C.F.R. § 54.411. Instead, ReachOut’s activation fee is a charge imposed by an ETC solely to take advantage of federal funds available from the Link Up portion of the USF. Moreover, the activation fee and Deferred Service Activation Fee Credit Bonus program appear to be a mechanism for ReachOut to encourage customers to buy additional wireless airtime.⁶

ReachOut’s terms and conditions governing its non-Lifeline service further evidence the fact that ReachOut’s \$72.00 activation fee is not a customary charge for commencement of service. Under the ReachOut Wireless Simple Plan, customers are charged a Service Activation Fee of \$72.00, \$30.00 of which is payable as an “Initial Installment Activation Fee (SAF)” and

⁵ ReachOut’s terms and conditions do not clearly explain how the “fee credits” and “fee credit bonus” provisions work together. However, it is clear that by purchasing additional airtime, a customer can reduce or eliminate the amount owed for the service activation fee.

⁶ There is nothing improper about ReachOut or any other carrier utilizing marketing techniques to encourage its customers to purchase additional airtime. However, it is inconsistent with the letter and the spirit of the rules governing the Link Up program for an ETC to take advantage of a federal USF support mechanism by first imposing, then reducing, a nominally “customary” non-usage-based one time activation charge by allowing consumers to avoid that “customary” charge by purchasing additional airtime.

\$42.00 of which is deferred over a period of 12 months, payable at a rate of \$3.50 per month.⁷ According to the Activation Fee Terms and Conditions applicable to the Simple Plan, the remaining \$42.00 balance of the service activation fee can be reduced or eliminated if the customer purchases airtime minutes. The same Deferred Service Activation Fee Credits and Deferred Service Activation Fee Credit Bonus provisions applicable to ReachOut's Lifeline/Link Up customers are available to ReachOut's non-Lifeline/Link Up customers.⁸ Therefore, a non-Lifeline/Link Up customer can reduce or completely satisfy the obligation to pay the remaining \$42.00 balance of the \$72.00 service activation fee simply by purchasing airtime. Given that ReachOut Simple Plan subscribers do not receive any minutes when initiating service, it is a virtual certainty that all Simple Plan subscribers will purchase airtime minutes since, without the purchase of additional minutes, such customers would have no service. Thus, the only customary charge imposed by ReachOut on its non-Lifeline/Link Up customers is \$30.00 -- the only amount that is required to be paid by all Simple Plan subscribers to commence service. Furthermore, ReachOut's Lifeline service activation fee of \$72.00 is not a customary charge for commencing service because that amount is not routinely charged to its non-Lifeline customers.

Allowing ETCs, such as ReachOut and others, to receive Link Up reimbursement for activation charges that are not customary and that are not in fact routinely imposed on their customers violates the purpose of the Link Up portion of the federal USF (which is to compensate ETCs for offering reduced or deferred customary activation charges) and constitutes a waste of USF funds -- a waste of funds which is ultimately borne by all contributors to the

⁷ See https://www.reachoutmobile.com/phone_replacement/traditional_customer.php, viewed November 30, 2010. A description of the ReachOut Wireless Simple Plan is provided as Attachment 2.

⁸ See https://reachoutmobile.com/phone_replacement/activationfee_termandcond.php, viewed November 30, 2010. The ReachOut Wireless Simple Plan Activation Terms and Conditions are included in Attachment 2.

USF. Allowing ETCs to take advantage of the Link Up program through the guise of bogus “customary” charges -- which customers do not customarily pay and are not required to pay -- is especially inappropriate in light of the Commission’s continuing concern about growth of the USF in general and the low-income program in particular.⁹ Moreover, allowing ETCs to receive disbursements from the federal USF for fees that are not customary charges for commencing service violates the Commission’s commitment to prevent waste, fraud and abuse of the federal USF.¹⁰

By this Petition, TracFone asks the Commission to confirm that only charges which are, in fact, customary charges actually imposed by ETCs for commencing telecommunications service are eligible for Link Up reimbursement, and to find that activation charges that are routinely waived or that can be reduced or eliminated by purchasing additional airtime are not customary charges for commencing service. TracFone further asks the Commission to find that activation charges that are not routinely charged to an ETC’s non-Lifeline/Link Up customers are not customary charges for commencing Lifeline service that can be recovered from the Link Up portion of the federal USF.

II. A Wireline Carrier May Not Provide Wireless Lifeline Service as an ETC Without Being Designated as an ETC by the Appropriate Authority.

Section 254(e) of the Communications Act provides that “only an eligible

⁹ See, e.g., Federal-State Joint Board on Universal Service, Order, 25 FCC Rcd 5079, ¶ 11 (2010).

¹⁰ See id., ¶ 11 (“With greater participation in the low-income programs, it is an opportune time to revisit the programs to ensure that they are effectively reaching eligible consumers, and that our oversight continues to be appropriately structured to minimize waste, fraud, and abuse.”); see also Federal-State Joint Board on Universal Service (CC Docket No. 96-45); Lifeline and Link Up (WC Docket No. 03-109), FCC 10J-3 (released: November 4, 2010), ¶ 12 (referencing Commission’s commitment to prevent waste, fraud and abuse of the low-income programs); Telecommunications Carriers Eligible for Universal Service Support, et al., 25 FCC Rcd 10510, ¶ 16 (2010) (“Continued growth of the universal service fund has highlighted in recent years the importance of the Commission’s continued commitment to fight waste, fraud, and abuse.”).

telecommunications carrier designated under section 214(e) shall be eligible to receive specific federal universal service support.” Section 214(e)(2) of the Communications Act authorizes state commissions to designate ETCs for federal universal service purposes.¹¹ Indeed, “state commissions have the primary responsibility for the designation of eligible telecommunications carriers under Section 214(e)(2).”¹² The Commission has authority to designate a carrier as an ETC when a carrier is not subject to the jurisdiction of a state commission.¹³ Under this statutory structure, most state commissions have asserted authority to designate wireless carriers as ETCs. In those states, a carrier may petition the state commission for designation as an ETC for purposes of providing both wireline and wireless USF-supported services. In states in which the state commission has affirmatively determined that it does not have jurisdiction over wireless ETC designations, carriers seeking to provide USF-supported wireless service must petition this Commission for designation as a wireless ETC in that state. Therefore, if a carrier in such a state wants to be designated as an ETC for both wireline and wireless service, it must seek designation as a wireline ETC with the relevant state commission and seek designation as a wireless ETC with this Commission since the state commission lacks authority to designate wireless ETCs.

In order for a wireline ETC to expand its USF-supported service in a state to include wireless service, it must ensure that it has approval from the appropriate designating authority prior to offering wireless USF-supported service in that state. Nexus, prior to doing business as a wireless service provider, had been designated as an ETC by the Tennessee Regulatory Authority

¹¹ See Federal-State Joint Board on Universal Service, First Report and Order, 12 FCC Rcd 8776, ¶ 145 (1997).

¹² Federal-State Joint Board on Universal Service, Twelfth Report and Order and Further Notice of Proposed Rulemaking, 15 FCC Rcd 12208, ¶ 93 (2000).

¹³ 47 U.S.C. § 214(e)(6).

for purposes of receiving low-income support from the federal USF.¹⁴ Nexus, now doing business as ReachOut Wireless, sought to amend the Tennessee Regulatory Authority's ETC Order to include both wireline and wireless services. The Tennessee Regulatory Authority declined to amend its ETC Order as requested and instead amended the ETC Order to clarify that Nexus had ETC designation only for wireline service.¹⁵ Nexus subsequently petitioned the Tennessee Regulatory Authority to declare that it has jurisdiction to designate Nexus as a wireless ETC and to declare *nunc pro tunc* that the ETC designation for wireline services included authority to provide wireless Lifeline and Link Up services in Tennessee. On August 2, 2010, the Tennessee Regulatory Authority issued an Order in which it refused to issue the declaratory ruling requested by Nexus.¹⁶ As noted in the Order, the Tennessee Regulatory Authority has "consistently acknowledged its lack of state-designated authority over CMRS providers in both the broad sense and specifically as to ETC designation."¹⁷ Despite the Tennessee Regulatory Authority's unequivocal statements that its designation of Nexus as an ETC was limited to wireline services and that it did not have authority to designate Nexus as an ETC for purposes of offering wireless services, Nexus, now doing business as ReachOut,

¹⁴ See In re: Application of Nexus Communications, Inc. for Designation as an Eligible Telecommunications Carrier, Docket No. 08-00119, *Order Designating Nexus Communications, Inc. as an Eligible Telecommunications Carrier* (Tennessee Regulatory Authority: October 27, 2008) ("ETC Order") (Attachment 3).

¹⁵ See In re: Application of Nexus Communications, Inc. for Designation as an Eligible Telecommunications Carrier, Docket No. 08-00119, *Order Granting Petition for Clarification and Issuance of Amended Order* (Tennessee Regulatory Authority: June 17, 2009) (Attachment 4).

¹⁶ See In re: Petition for Declaratory Ruling and Nunc Pro Tunc Designation of Nexus Communications as an Eligible Telecommunications Carrier to Offer Wireless Service in Tennessee, Docket No. 10-00083, *Order Refusing Issuance of Declaratory Ruling* (Tennessee Regulatory Authority: August 2, 2010) (Attachment 5).

¹⁷ Id., at 9-10 (footnotes omitted).

continues to offer wireless Lifeline and Link Up service in Tennessee, as indicated in its terms and conditions of service.

As required by Section 254(e) of the Act, neither ReachOut nor any other carrier may offer any Lifeline or Link Up-supported wireless services without being designated as an ETC. At this time, it appears that ReachOut is violating this statutory requirement by offering wireless Lifeline and Link Up in Tennessee without being designated as an ETC with respect to its wireless services. In short, ReachOut's provision of wireless Lifeline service in Tennessee is beyond the scope of its ETC designation from the Tennessee Regulatory Authority and in contravention of that Authority's August 2, 2010 Order. Given the fact that Tennessee law does not empower the Tennessee Regulatory Authority to designate wireless ETCs, only this Commission, pursuant to Section 214(e)(6) of the Communications Act, may do so. So far as can be determined, ReachOut never has petitioned the Commission for ETC designation for Tennessee, and the Commission never has designated ReachOut as a wireless ETC in Tennessee.

Accordingly, TracFone asks this Commission to issue an order clarifying that a carrier designated as an ETC by a state commission for purposes of offering wireline services may not rely on that designation to expand its service to include wireless services in a state where the state commission lacks jurisdiction to designate a wireless carrier as an ETC. This clarification is necessary to ensure that ReachOut, as well as any other ETCs operating in states that have not asserted jurisdiction over wireless service providers for the purposes of ETC designations, do not unilaterally expand their USF-supported services to include wireless services without obtaining the statutorily required approval of this Commission.

III. The Communications Act and the Commission's Rules Require an ETC to Provide Lifeline Service In Its Service Area in a State, in Part, Using Its Own Facilities.

Finally, TracFone seeks a declaratory ruling that the Section 214(e)(1)(A) facilities-based

service requirement for ETCs means that a carrier must use its own facilities, at least in part, to provide USF-supported service in a state to be designated as an ETC in that state. For example, a carrier seeking to be designated as an ETC in New York must use some of its own facilities (even if those facilities are physically located outside of New York) to provide a USF-supported service in New York. TracFone requests that the Commission require ETC applicants to use their own facilities, at least in part, to provide services supported by the USF in each of the states for which such carriers seek ETC designation, irrespective of whether they seek ETC designation from the Commission pursuant to Section 214(e)(6) or from a State commission pursuant to Section 214(e)(2).

Under Section 214(e)(6) of the Act (47 U.S.C. § 214(e)(6)), the Commission, consistent with the public interest, convenience and necessity, may, with respect to an area served by a rural telephone company, and shall, in all other cases, designate more than one common carrier as an ETC for a designated service area, so long as the requesting carrier meets the requirements of Section 214(e)(1). Section 214(e)(1)(A) provides:

(1) Eligible telecommunications carriers.--A common carrier designated as an eligible telecommunications carrier under paragraph (2), (3) or (6) shall be eligible to receive universal service support in accordance with Section 254 and shall, throughout the service area for which the designation is received -

(A) offer the services that are supported by Federal universal service support mechanisms under Section 254(c), **either using its own facilities or a combination of its own facilities and resale of another carrier's services** (including the services offered by another eligible telecommunications carrier);

(emphasis added). That provision of the Act is clear and unequivocal: ETCs shall offer USF-supported services, at least in part, over their own facilities.

The Commission has promulgated rules to implement the facilities-based requirement of Section 214(e)(1)(A) of the Act. Section 54.201(d)(1) of the Commission's rules (47 C.F.R. §

54.201(d)(1)) mirrors Section 214(e)(1)(A) of the Act by requiring an ETC to offer the services supported by the federal universal service support mechanisms “either using its own facilities or a combination of its own facilities and resale of another carrier’s services (including the services offered by another eligible telecommunications carrier).” Commission rules also provide further detail regarding the meaning of “facilities” and “own facilities” for purposes of complying with the facilities-based requirement codified at Section 214(e)(1)(A). Section 54.201(e) of the Commission’s rules (47 C.F.R. § 54.201(e)) provides: “facilities means any physical components of the telecommunications network that are used in the transmission or routing of the services that are designated for support.” Section 54.201(f) of the Commission’s rules (47 C.F.R. § 54.201(f)) provides: “‘own facilities’ includes, but is not limited to, facilities obtained as unbundled network elements pursuant to Part 51 of this chapter, provided that such facilities meet the definition of the term ‘facilities’ under this subpart.”

When the Commission promulgated Section 54.201 it explained: “By encompassing only physical components of the telecommunications network that are used to transmit or route the supported services, this definition, in effect, excludes from eligibility a ‘pure’ reseller that claims to satisfy the facilities requirement by providing its own billing office or some other facility that is not a ‘physical component’ of the network as defined in this Order.”¹⁸ Nor do operation support system functions meet the facilities requirement of Section 214(e)(1)(A) of the Act.¹⁹ Thus, to qualify as a facilities-based provider for purposes of being designated as an ETC either by this Commission or by a State commission, the facilities used by the carrier must be: (1)

¹⁸ In the Matter of Federal-State Joint Board on Universal Service, 12 FCC Rcd 8776, ¶152 (1997) (“USF Order”).

¹⁹ USF Order, n.388 (operation support system functions would not meet the definition of “facilities”); operation support system functions consist of pre-ordering, ordering, provisioning, maintenance and repair, and billing functions. See 47 C.F.R. § 51.319(g).

physical components of the telecommunications network and (2) used in the transmission or routing of the services. As such, a carrier's facilities that are not being used to route or transmit services do not qualify as "facilities" to meet the ETC requirements in Section 214(e)(1)(A) of the Act.

Section 214(e)(1)(A) requires only that a carrier provide supported services, in part, using its "own facilities." The Commission explained in the USF Order that Section 214(e)(1)(A) "does not dictate that a carrier use a specific level of its 'own facilities' in providing the services designated for universal service support ... and does not qualify the term 'own facilities' with respect to the amount of facilities a carrier must use."²⁰ However, the carrier "must use its own facilities to provide at least one of the supported services."²¹ As noted above, "its own facilities" means physical facilities used for the routing or transmission of the telecommunications services which it provides.

In addition, the Commission has provided guidance to carriers who might seek ETC designation regarding the location of facilities for purposes of satisfying Section 214(e)(1)(A) of the Act. While the Commission concluded that facilities include "any physical components of the telecommunications network that are used in the transmission and routing of the supported services, [it found] that the statute does not mandate that the facilities be physically located in that service area."²² Consistent with this finding, the Commission promulgated Commission Rule 54.201(g) (47 C.F.R. § 54.201(g)), which provides: "A state commission shall not require a common carrier, in order to satisfy the requirements of paragraph (d)(1) of this section, to use facilities that are located within the relevant service area, as long as the carrier uses facilities to

²⁰ USF Order, ¶ 169.

²¹ Id.

²² Id., ¶ 177.

provide the services designated for support pursuant to Subpart B of this part within the service area.”

Although Section 54.201(g) applies to those state commissions that exercise jurisdiction to designate carriers as ETCs, the Commission, in the USF Order establishing Section 54.201(g), indicated that this requirement is not limited to ETC designations by state commissions.²³ It is also applicable to the Commission when it designates ETCs pursuant to Section 214(e)(6). As noted by the Commission, a switch located in San Antonio, Texas that is used to provide supported services in the service area encompassing Dallas, Texas would be considered “facilities” for purposes of determining whether a carrier was eligible to receive universal service support for the service area encompassing Dallas.²⁴ Commission rules define service area as follows: “a geographic area established by a state commission for the purpose of determining universal service obligations and support mechanisms. A service area defines the overall area [within the state of ETC designation] for which the carrier shall receive support from federal universal service support mechanisms.”²⁵ Therefore, “service area” is a concept specific to a particular state.

A state commission must determine whether a carrier’s own facilities are being used to provide USF-supported services within a particular service area in its state to designate the carrier as an ETC in its state. Similarly, this Commission must determine whether a carrier is using its own facilities to provide service within the state that is the subject of a carrier’s petition to the Commission for designation as an ETC in a particular state. Nothing in the Act or the Commission’s rules can reasonably be interpreted as allowing for transmission or routing

²³ Id.

²⁴ Id. Dallas and San Antonio in the same study area of a carrier which serves both communities.

²⁵ 47 C.F.R. § 54.207(a).

facilities located within one state to be deemed to constitute facilities for ETC qualification under Section 214(e)(1)(A) in another state, unless those facilities are being used to provide service in the state for which ETC designation is sought. For example, a transmission line or switch located in California cannot be deemed to constitute “facilities” for Section 214(e)(1)(A) purposes in Alabama, unless, of course, that transmission line or switch in California is being used to transmit or route USF-supported services to customers in Alabama. The mere fact that a carrier owns or leases a transmission line or switch in California does not render that carrier as a “facilities-based” carrier in Alabama unless that carrier’s transmission line or switch in California is, in fact, being used by the carrier to provide USF-supported service in Alabama.

Moreover, a carrier seeking to offer wireless Lifeline service may not rely on the fact that it uses its own facilities to provide wireline service in a specific state, as the basis for meeting the facilities requirement with respect to its provision of wireless USF-supported service in that same state. If a carrier has its own facilities which it uses to provide wireline service, but relies solely on resale for providing wireless service, that carrier should be considered to be a pure reseller by this Commission and state commissions for purposes of determining whether the carrier should be designated as an ETC to offer wireless service. Carriers that have their own wireline facilities, but that provide wireless service solely by resale of other carriers’ services, should be treated as wireless resellers (like TracFone, i-Wireless and other resale carriers) and may only designated as an ETC by the Commission or state commissions after exercise by the Commission of its authority codified at Section 10 of the Act (47 U.S.C. § 160) to forbear from application or enforcement of the facilities requirement for ETCs in Section 214(e)(1)(A). If and when such resale carriers petition the Commission for forbearance, and make all of the requisite showings, any determination by the Commission granting forbearance should be subject to the same conditions and limitations imposed by the Commission on all other petitions by wireless

resale carriers from the aforementioned statutory requirement that ETCs provide services supported by the USF using their own facilities or a combination of their own facilities and resale of other carriers' facilities.²⁶

TracFone requests that the Commission issue a declaratory ruling confirming that a carrier must use its own facilities at least in part to provide USF-supported service in any state for which it seeks ETC designation in order to meet the facilities requirement of Section 214(e)(1)(A) of the Act. In addition, TracFone requests that the Commission clarify that a carrier may not rely on the fact that it has wireline facilities to meet the facilities requirement for purposes of offering wireless USF-supported services, unless those wireline facilities are being used to transmit or route the wireless services that are subject to USF support. Finally, a simple assertion that a carrier has some of its own facilities is not sufficient to satisfy the facilities requirement of Section 214(e)(1)(A). TracFone requests the Commission to require proof from an ETC applicant that it has facilities and that will in fact be using its own facilities, at least in part, to transmit or route the USF-supported services to be provided in the state for which the carrier seeks ETC designation.

CONCLUSION

Based on the foregoing, TracFone respectfully requests that the Commission grant this Petition and issue a declaratory ruling confirming that: (1) an ETC is not eligible to receive reimbursement from the federal USF for providing Link Up benefits unless the ETC regularly

²⁶ It has been more than five years since the Commission conditionally granted TracFone's forbearance petition in September 2005. It may be that, based upon the experience gained during that period, as well as changes in technology and the marketplace since then, the Commission may reasonably conclude that some of those conditions and limitations no longer are necessary or appropriate, and that changes to those conditions should be made. However, such determinations should be made in an orderly fashion, not by allowing certain wireless resellers to avoid those conditions by claiming to be facilities-based in the absence of any showing that they will use their own facilities for the transmission or routing of any supported service.

imposes on its customers a customary charge for commencing telecommunications service; (2) a wireline ETC may not expand its USF-supported services to include wireless service without obtaining approval from either the Commission or a state commission as appropriate; and (3) in order to be designated as an ETC in a particular state, a carrier must use some of its own facilities to provide USF-supported services within the carrier's service area in that state.

Respectfully submitted,

TRACFONE WIRELESS, INC.



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December 1, 2010

Attachment 1



Government-assisted wireless service!
1-877-870-9444

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Terms and Conditions of Service

REACHOUT WIRELESS™ is a service provided by Nexus Communications, Inc., ("Nexus")

Existing *NEXUS COMMUNICATIONS, INC., DBA REACHOUT WIRELESS™* tariffs govern the Services. Tariffs which are officially on file with the various state public utilities commissions and the Federal Communication Commission ("FCC") supersede any terms related to the Services.

NEXUS COMMUNICATIONS, INC., DBA REACHOUT WIRELESS™ may from time to time offer access through its website for users to obtain access to tariffs which are officially on file with the various state public utilities commissions and the Federal Communication Commission ("FCC"). However, users who access tariffs online should be aware that the documents accessible through the website herein may not be the official documents and users assume sole responsibility for any reliance on the tariffs available through this website. *NEXUS COMMUNICATIONS, INC., DBA REACHOUT WIRELESS™* bears no responsibility or liability for the accuracy of documents available through this website.

The following *REACHOUT WIRELESS™* Terms and Conditions of Service contains extremely important information about your rights as a subscriber, and by qualifying and/or enrolling in the *REACHOUT WIRELESS™* service (or Service) and/or by accepting delivery and/or making a call on your *REACHOUT WIRELESS™* or using your *REACHOUT WIRELESS™* phone after you make a change to your account, you are agreeing to the following Terms and Conditions of service and the following Terms and Conditions of Service are a legally binding agreement between you as the subscriber and Nexus.

REACHOUT WIRELESS™ service requires: (1) eligibility for Lifeline and Link-Up; and (2) residence within the Coverage Area.

Coverage Area: The only way to conclusively determine if *REACHOUT WIRELESS™* provides service in your area is to input your zip code into the *REACHOUT WIRELESS™* website found at www.Reachoutwireless.com. The *REACHOUT WIRELESS™* Map depicts an approximation of outdoor coverage. Actual coverage area may differ substantially from area shown on map, as coverage may be affected by terrain, weather, foliage, buildings and other construction, signal strength, customer equipment and other factors. *REACHOUT WIRELESS™* does not guarantee coverage or network availability. Charges will be based on the location of the site receiving and transmitting the call, not your location. Rates apply to calls to and from the *REACHOUT WIRELESS™* Coverage Area.

Taxes/Surcharges: *REACHOUT WIRELESS™* are solely responsible for paying all charges including, but not limited to all applicable surcharges, fees, taxes, and regulatory charges. *REACHOUT WIRELESS™* subscribers are responsible for all charges applicable to Customer handset service, whether or not Customer was the user of the wireless phone. *REACHOUT WIRELESS™* will automatically deduct applicable all applicable surcharges, fees, taxes, and regulatory charges from the Customer's available minutes. Changes to a surcharge, fee or tax will become effective as provided by the taxing authority and change to applicable contribution amounts for the Federal Universal Service Fund ("FUSF"). Other regulatory charges may become effective immediately. Additional taxes and other fees: In many jurisdictions, certain recurring fees or taxes will be debited from your account balance as allowed by law. Other taxes, surcharges and fees apply on top of refill denominations or other airtime purchases.

REACHOUT WIRELESS™ subscribers will incur per minute charges and minutes will be depleted for 611 automated customer service, and 611 may not work in all areas. All calls to *611, any of *REACHOUT WIRELESS™* toll free customer service numbers and calls to the Customer Service IVR will incur standard airtime charges.

REACHOUT WIRELESS™ subscribers have the option of requesting a copy of their paper bill. All requests for a copy of paper bill must be submitted in writing via mail or via fax:

IF BY MAIL:

Nexus Communications, Inc., dba REACHOUT WIRELESS™

P.O. Box 247168

Columbus, OH 43224

IF BY FAX to: 740-548-1173

If money/value/airtime is added to your *REACHOUT WIRELESS™* account before the current balance expires, the existing balance will carry over to the new expiration date. Any unused account balance is forfeited upon expiration or termination of eligibility in the *REACHOUT WIRELESS™* program.

Per Minute Rates: Airtime, when used for standard voice usage cellular calls, is valued at and will be decremented at \$0.20 per minute of use. Airtime charges and domestic long distance charges apply to forwarded/transferred calls even in the event the call is sent to a wireline telephone. Airtime charges apply to all calls simultaneously, and airtime charges apply to message retrieval.

Directory Assistance is \$1.25 plus standard airtime rates. (effective 2/15/2010)

Operator Assistance is available by dialing *611 and standard airtime rates apply.

REACHOUT WIRELESS™ voice usage is deducted in full-minute increments with partial minutes rounded up to the next full minute at the end of each call. No credit is given for dropped calls.

REACHOUT WIRELESS™ plan minutes will be depleted for per-minute charges (and/or, where applicable, access fees) apply to calls made using features including Call Waiting, Call Forwarding, Three-Way Calling and voicemail retrievals.

REACHOUT WIRELESS™ calling features include Call Waiting, Call Forwarding, Three-Way Calling and voicemail retrievals.

Caller ID: Your billing name may be displayed along with your wireless number on outbound calls to other wireless and landline phones with Caller ID capability. *REACHOUT WIRELESS™* accounts do not have the ability to block the display of your name and number.

Monthly Access Fee: The *REACHOUT WIRELESS™* plan has an access fee of \$0.99 which is deducted every thirty (30) days and is assessed each month to you use your phone to make or receive voice calls. West Virginia subscribers do not incur an access fee of \$0.99 and are automatically credited back \$0.99.

Roaming Usage: Per minute usage on *REACHOUT WIRELESS™* accounts while Roaming deduct at \$0.59 per minute of use. Roaming charges are applicable in addition to standard usage charges and are automatically deducted from your balance of available minutes. A Roaming occurs when a *REACHOUT WIRELESS™* subscriber due to the physical location of the handset, uses the facilities of another wireless service provider. Roaming occurs when you make and receive calls outside your home calling area. Availability, quality of coverage and Services while roaming are not guaranteed.

Domestic Text Messages: The rates to send or receive a text message to another person's phone using your *REACHOUT WIRELESS™* handset are \$0.10 per text message for sending, and \$0.10 per text for receiving. If you do not want minutes/units deducted from your *REACHOUT WIRELESS™* phone, then do not send a text message and/or do not open any incoming text messages. Each message is limited to 160 characters in total length.

International Text Messages: The rates to send or receive an international text message to another person's phone using your *REACHOUT WIRELESS™* handset are \$0.20 per text message for sending, and \$0.20 per text for receiving. If you do not want minutes/units deducted from your *REACHOUT WIRELESS™* phone, then do not send a text message and/or do not open any incoming text messages.

REACHOUT WIRELESS™ subscribers hereby consent to accept/receive incoming text messages from time to time from *REACHOUT WIRELESS™* related to certain mandatory aspects of the *REACHOUT WIRELESS™* program as a condition to remaining eligible for the *REACHOUT WIRELESS™* program. *REACHOUT WIRELESS™* subscribers hereby acknowledge that incoming *REACHOUT WIRELESS™* text messages will be charged \$0.10 per text. *REACHOUT WIRELESS™* subscribers may opt out of accepting/receiving incoming text messages from *REACHOUT WIRELESS™* related to certain non-mandatory aspects of the *REACHOUT WIRELESS™* program by calling 1-877-870-9444.

Premium SMS: Premium SMS is a text message to a designated "short code" or buying or attempting to buy SMS services from anyone other than *REACHOUT WIRELESS™* Premium SMS campaigns include activities such as casting a vote, expressing your opinion, playing a game, subscribing to a service, or interactive television programs. *REACHOUT WIRELESS™* does not generally participate in Premium SMS services or campaigns. You are solely responsible for any charges incurred for Premium SMS services or campaigns. Any text message sent to a "short code" will in all likelihood not go through. Any charges you may incur as a result of any attempts to participate in Premium SMS services or campaigns (not authorized by *REACHOUT WIRELESS™*) whether you incur charges as deductions from your *REACHOUT WIRELESS™* minutes or from your credit card, are not refundable.

Data: The rates to send or receive Data using your *REACHOUT WIRELESS™* handset is \$1.25 per megabyte.

A \$0.20 minimum account balance on the *REACHOUT WIRELESS™* plan is required to place or receive a call.

900/976 numbers are not available with *REACHOUT WIRELESS™*

REACHOUT WIRELESS™ standard airtime charges apply to 800, 866, 877 and other toll-free calls

REACHOUT WIRELESS™ allows Domestic Long Distance calls to be originated and terminated within the 50 United States.

A fee may be charged for calls to and to add funds using a live customer service representative.

REACHOUT WIRELESS™ Mobile to Mobile Minutes: Standard airtime charges apply to all Mobile to Mobile calls (i.e. *REACHOUT WIRELESS™* to *REACHOUT WIRELESS™* calls).

Your *REACHOUT WIRELESS™* handset display does not indicate the rate you will be charged.

DISPUTES: YOU MUST NOTIFY NEXUS IN WRITING WITHIN TWO MONTHS OR (90) DAYS, WHICHEVER COMES FIRST, OF THE DATE OF ANY EVENT GIVING RISE TO ANY DISPUTE INCLUDING, BUT NOT LIMITED TO, A DISPUTE OVER ANY CHARGES, ANY SERVICE PROVIDED, OR ANY EQUIPMENT PROVIDED TO YOU, OR YOU WILL HAVE WAIVED YOUR RIGHT TO DISPUTE THE CHARGES (OR SERVICES, OR EQUIPMENT) AND WAIVED YOUR RIGHT TO BRING, OR PARTICIPATE IN, ANY LEGAL ACTION RAISING ANY SUCH DISPUTE. ALL DISPUTES MUST BE IN WRITING AND SENT TO:

IF BY MAIL:

Nexus Communications, Inc., dba REACHOUT WIRELESS™

P.O. Box 247168

Columbus, OH 43224

IF BY FAX to: 740-548-1173

If your *REACHOUT WIRELESS™* is interrupted for 24 or more continuous hours by a cause within Nexus' control, Nexus will issue you, upon written request, either a credit equal to a pro-rata adjustment of any recurring charge (if applicable) for the time period your *REACHOUT WIRELESS™* service was unavailable, not to exceed the charges collected for the period of interruption, or an extension of the expiration period. Nexus' liability to any *REACHOUT WIRELESS™* subscriber for service failures is limited solely to the credit set forth above.

REACHOUT WIRELESS™ services excludes all incidental or consequential damages, unless otherwise provided by law. Some states do not allow the exclusion or limitation of incidental or consequential damages.

DISPUTE RESOLUTION BY BINDING ARBITRATION: By accepting delivery and making a call on your *REACHOUT WIRELESS™* handset you are agreeing to the condition that requires that certain disputes that may arise between you the subscriber and Nexus be resolved through Binding Arbitration instead of a court trial or in courts of general jurisdiction. The sole remedy for any dispute shall be binding arbitration on an individual basis, rather than by a jury trial or class actions. Binding Arbitration limits the remedies available to you in the event of a dispute. Binding Arbitration is on an individual basis exclusively and class arbitrations and class actions are hereby excluded as a remedy.

By accepting delivery and making a call on your *REACHOUT WIRELESS™* handset you agree that the parties (*REACHOUT WIRELESS™* and you the *REACHOUT WIRELESS™* subscriber) are each waiving the right to a trial by jury or to participate in a class action and the Federal Arbitration Act governs the interpretation and enforcement of any claim brought by you. This binding arbitration provision shall survive termination of your service with *REACHOUT WIRELESS™*.

REACHOUT WIRELESS™ and you as the *REACHOUT WIRELESS™* subscriber agree to arbitrate all disputes and claims between the parties. This agreement to arbitrate is intended to be broadly interpreted. It includes, but is not limited to claims arising out of or based in contract, tort, statute, fraud, misrepresentation, claims relating to advertising, or any other legal theory and claims that are currently the subject of purported class action litigation in which you are not a member of a certified class. The arbitrator may award declaratory or injunctive relief only in favor of the individual party seeking relief and only to the extent necessary to provide relief warranted by that party's individual claim. YOU AND REACHOUT WIRELESS™ AGREE THAT EACH MAY BRING CLAIMS AGAINST THE OTHER ONLY IN YOUR OR ITS INDIVIDUAL CAPACITY, AND NOT AS A PLAINTIFF OR CLASS MEMBER IN ANY PURPORTED CLASS OR REPRESENTATIVE PROCEEDING. Further, unless both you and REACHOUT WIRELESS™ agree otherwise, the arbitrator may not consolidate more than one person's claims, and may not otherwise preside over any form of a representative or class proceeding.

Either party (*REACHOUT WIRELESS™* or you the *REACHOUT WIRELESS™* subscriber) who intends to seek binding arbitration must first send to the other, by certified mail, a written Notice of Dispute ("Notice"). The Notice to *REACHOUT WIRELESS™* must be sent to:

Nexus Communications, Inc., dba REACHOUT WIRELESS™

P.O. Box 247168

Columbus, OH 43224

The Notice must (1) contain a description of the facts and basis of the claim or dispute; and (2) the specific relief the party is seeking. If *REACHOUT WIRELESS™* and you do not reach an agreement to resolve the claim within 30 days after the Notice is received, you or *REACHOUT WIRELESS™* may commence a binding arbitration proceeding. During the binding arbitration, the amount of any settlement offer made by either party shall not be disclosed to the arbitrator until after the arbitrator determines the amount, if any, to which the other party is entitled. The binding arbitration will be governed by the Commercial Arbitration Rules and the Supplementary Procedures for Consumer Related Disputes (collectively, "AAA Rules") of the American Arbitration Association ("AAA") and will be administered by the AAA. The AAA Rules are available online at www.adr.org, by calling the AAA at 1-800-778-7879, or by writing to the Notice Address. The arbitrator is bound by this terms and conditions. The only issues that are outside the scope of the arbitrator are issues, if any, relating to the scope and enforceability of the arbitration provision. If the arbitrator finds that either the substance of the filer's claim or the relief sought is frivolous or brought for an improper purpose (as measured by the standards set forth in Federal Rule of Civil Procedure 11(b)), then the payment of any fees will be governed by the AAA Rules.

LIMITATION OF LIABILITY: NEXUS MAKES NO WARRANTY, EXPRESS OR IMPLIED, OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, SUITABILITY, OR PERFORMANCE REGARDING ANY SERVICES OR GOODS, AND IN NO EVENT SHALL NEXUS BE LIABLE, WHETHER OR NOT DUE TO ITS OWN NEGLIGENCE, for any: (a) act or omission of a third party; (b) damage or injury caused by the use of service or Device, including use in a vehicle; (c) mistakes, omissions, interruptions, errors, failures to transmit, delays or defects in the service provided by or through us; (d) claim against you by third parties; (e) damage or injury caused by a suspension or termination of service by Nexus; or (f) damage or injury caused by failure or delay in connecting a call to 911 or any other emergency service.

Unless applicable law precludes parties from contracting to so limit liability, and provided such law does not discriminate against arbitration clauses, Nexus shall not be liable for any indirect, special, punitive, incidental or consequential losses or damages you or any third party may suffer by use of, or inability to use, service or Device provided by or through Nexus, including loss of business or goodwill, revenue or profits, or claims of personal injuries.

INDEMNITY: To the full extent allowed by law, you hereby release, indemnify, and hold Nexus and its officers, directors, employees and agents harmless from and against any and all claims of any person or entity for damages of any nature arising in any way from or relating to, directly or indirectly, service provided by Nexus or any person's use thereof (including, but not limited to, vehicular damage and personal injury), INCLUDING CLAIMS ARISING IN WHOLE OR IN PART FROM THE ALLEGED NEGLIGENCE OF NEXUS. This obligation shall survive termination or expiration of your service with Nexus.

SOME STATES DO NOT ALLOW DISCLAIMERS OF IMPLIED WARRANTIES OR LIMITS ON REMEDIES FOR BREACH. THEREFORE, THE ABOVE LIMITATIONS OR EXCLUSIONS MAY NOT APPLY TO YOU. YOU MAY HAVE OTHER LEGAL RIGHTS WHICH VARY FROM STATE TO STATE.

NEXUS DOES NOT GUARANTEE UNINTERRUPTED SERVICE OR COVERAGE. NEXUS CANNOT ASSURE YOU THAT IF A 911 CALL IS PLACED BY YOU WILL BE LOCATED. Limitations of liability set forth herein govern unless prohibited by applicable law.

Service may be interrupted, delayed or otherwise limited for a variety of reasons, including environmental conditions, unavailability of radio frequency channels, system capacity, priority access by National Security and Emergency Preparedness personnel in the event of a disaster or emergency, coordination with other systems, equipment modifications and repairs, and problems with the facilities of interconnecting carriers.

REACHOUT WIRELESS™ service blocks access to certain categories of numbers (e.g. 976, 900 and international destinations) at the sole discretion of *REACHOUT WIRELESS™*.

REACHOUT WIRELESS™ may send you from time to time alert messages via SMS or email however there is no guarantee you will receive them.

Nexus also reserves the right to change or modify any of these *REACHOUT WIRELESS™* and Conditions of Service at any time and at Nexus' sole discretion.

Your *REACHOUT WIRELESS™* account is non-transferrable.

REACHOUT WIRELESS™ cards and other account refills are nontransferable and nonrefundable.

REACHOUT WIRELESS™ Service is available as long as you have a positive account balance.

REACHOUT WIRELESS™ Handset Requirements: A compatible phone is required for *REACHOUT WIRELESS™*. Not all calling features work on all phones and in all areas.

Any changes or modifications to these *REACHOUT WIRELESS™* Terms and Conditions of Service will be binding once posted on the *REACHOUT WIRELESS™* website found at www.Reachoutwireless.com.

Service Activation Fee: Your *REACHOUT WIRELESS™* account requires a Service Activation Fee ("SAF"). A portion of your Service Activation Fee ("SAF") may be paid by your eligibility for Link-Up. However you are solely liable for the remaining balance, if any, to the Service Activation Fee ("SAF") not covered by Link-Up. Your *REACHOUT WIRELESS™* Service Activation Fee ("SAF") varies per state. For the State of Michigan residents the Service Activation Fee is reduced to \$54.00 effective August 1, 2009 and expires September 30, 2009. Effective October 1, 2009 for the State of Michigan residents the Service Activation Fee is \$72.00. For the State of Wisconsin residents the Service Activation Fee is reduced to \$54.00 effective August 1, 2009 and expires September 30, 2009. Effective October 1, 2009 for the State of Wisconsin residents the Service Activation Fee is \$72.00. For the State of Louisiana residents the Service Activation Fee is reduced to \$54.00 effective August 1, 2009 and expires September 30, 2009. Effective October 1, 2009 for the State of Louisiana residents the Service Activation Fee is \$72.00. For the State of Illinois residents the Service Activation Fee is reduced to \$54.00 effective August 1, 2009 and expires September 30, 2009. Effective October 1, 2009 for the State of Illinois residents the Service Activation Fee is \$72.00. For the State of Arkansas residents the Service Activation Fee is reduced to \$54.00 effective August 1, 2009 and expires September 30, 2009. Effective October 1, 2009 for the State of Arkansas residents the Service Activation Fee is \$72.00. For the State of Tennessee residents the Service Activation Fee is reduced to \$54.00 effective August 1, 2009 and expires September 30, 2009. Effective October 1, 2009 for the State of Tennessee residents the Service Activation Fee is \$72.00. For the State of Missouri residents the Service Activation Fee is reduced to \$54.00 effective August 1, 2009 and expires September 30, 2009. Effective October 1, 2009 for the State of Missouri residents the Service Activation Fee is \$72.00. For the State of Kansas residents the Service Activation Fee is reduced to \$54.00 effective August 1, 2009 and expires September 30, 2009. Effective October 1, 2009 for the State of Kansas residents the Service Activation Fee is \$72.00. For the State of West Virginia residents the Service Activation Fee is \$72.00. For residents of the state of West Virginia the balance of the \$72.00 Service Activation Fee not covered by Link-Up is waived. Effective May 15, 2009 for the State of New Jersey residents the Service Activation Fee is \$72.00. For residents of the state of New Jersey the balance of the \$72.00 Service Activation Fee not covered by Link-Up is waived. Effective June 4, 2010 for the State of Maryland residents the Service Activation Fee is \$72.00. For residents of the state of Maryland the balance of the \$72.00 Service Activation Fee not covered by Link-Up is waived. Effective June 4, 2010 for the State of Georgia residents the Service Activation Fee is \$72.00. For residents of the state of Georgia the balance of the \$72.00 Service Activation Fee not covered by Link-Up is waived. Effective October 25, 2010 for the State of Mississippi residents the Service Activation Fee is \$72.00. For residents of the state of Mississippi the balance of the \$72.00 Service Activation Fee not covered by Link-Up is waived.

Optional Deferred Service Activation Fee: The remaining balance, if any, to the Service Activation Fee ("SAF") not covered by Link-Up will be automatically deferred over a period of twelve (12) months. The amount of the deferred Service Activation Fee ("SAF") not covered by Link-Up will consist of the total dollar amount of the remaining balance divided by twelve (12). For residents of the state of West Virginia the balance of the \$72.00 Service Activation Fee not covered by Link-Up is waived. For residents of the state of New Jersey the balance of the \$72.00 Service Activation Fee not covered by Link-Up is waived. For residents of the state of Georgia the balance of the \$72.00 Service Activation Fee not covered by Link-Up is waived. For residents of the state of Mississippi the balance of the \$72.00 Service Activation Fee not covered by Link-Up is waived.

Optional Deferred Service Activation Fee Credits: If any additional airtime is added to your *REACHOUT WIRELESS* account via purchases of additional airtime, a credit will be applied to the remaining balance, if any, to the Service Activation Fee ("SAF") based upon the dollar amount of the purchase. No Optional Deferred Service Activation Fee Credits will be applied if no balance exists on your Service Activation Fee ("SAF"). Optional Deferred Service Activation Fee Credits applied to any remaining Service Activation Fee balance, if any, will be applied as follows:

\$5.00 Additional Airtime	\$1.50 Credit
\$10.00 Additional Airtime	\$3.00 Credit

\$20.00 Additional Airtime	\$6.00 Credit
\$30.00 Additional Airtime	\$9.00 Credit
\$50.00 Additional Airtime	\$15.00 Credit

Deferred Service Activation Fee Credit Bonus

Existing Subscriber Optional Deferred Service Activation Fee Bonus Credits: If you are an existing *REACHOUT WIRELESS* subscriber and any additional airtime is added to your *REACHOUT WIRELESS* account via purchases of additional airtime, an additional credit will be applied to the remaining balance, if any, to the Service Activation Fee ("SAF") will be based upon the actual retail face value dollar amount of the purchase. No Optional Deferred Service Activation Fee Credits will be applied if no balance exists on your Service Activation Fee ("SAF"). Optional Deferred Service Activation Fee Bonus Credits applied to any remaining Service Activation Fee balance, if any, will be applied as follows:

\$3.00 Additional Airtime	\$3.00 Credit plus \$0.00 = Credit \$3.00 Credit
\$5.00 Additional Airtime	\$1.50 Credit plus \$3.50 = Credit \$5.00 Credit
\$10.00 Additional Airtime	\$3.00 Credit plus \$7.00 = Credit \$10.00 Credit
\$20.00 Additional Airtime	\$6.00 Credit plus \$14.00 = Credit \$20.00 Credit
\$30.00 Additional Airtime	\$9.00 Credit plus \$21.00 = Credit \$30.00 Credit
\$50.00 Additional Airtime	\$15.00 Credit plus \$35.00 = Credit \$50.00 Credit

New Subscriber Optional Deferred Service Activation Fee Bonus Credits: If you are a new *REACHOUT WIRELESS* subscriber and any additional airtime is added to your *REACHOUT WIRELESS* account via purchases of additional airtime, a credit will be applied to the remaining balance, if any, to the Service Activation Fee ("SAF") will be based upon the actual retail face value dollar amount of the purchase. No Optional Deferred Service Activation Fee Credits will be applied if no balance exists on your Service Activation Fee ("SAF"). Optional Deferred Service Activation Fee Bonus Credits applied to any remaining Service Activation Fee balance, if any, will be applied as follows:

\$3.00 Additional Airtime	\$3.00 Credit
\$5.00 Additional Airtime	\$5.00 Credit
\$10.00 Additional Airtime	\$10.00 Credit
\$20.00 Additional Airtime	\$20.00 Credit
\$30.00 Additional Airtime	\$30.00 Credit
\$50.00 Additional Airtime	\$50.00 Credit

Under the Optional Deferred Service Activation Fee Bonus Credit program if a *REACHOUT WIRELESS* subscriber adds any denomination of monetary value (i.e. \$5.00, or \$5.95, or \$7.95 retail dollar value) the Deferred Service Activation Fee Bonus Credit will be applied to the remaining balance, if any, to the Service Activation Fee ("SAF") based upon the retail face value dollar amount of the purchase, excluding fees or surcharges if any.

You will be solely liable to pay for the full Service Activation Fee ("SAF") if you are not eligible for Link-Up.

If your *REACHOUT WIRELESS™* service is ever disconnected or suspended for any reason, a Service Activation Fee ("SAF") and new wireless phone number may be required to reactivate *REACHOUT WIRELESS™* service.

REACHOUT WIRELESS™ account balance limit is \$500.00; any amount over that limit will be deducted from your balance.

REACHOUT WIRELESS™ rates and services are subject to change without notice.

REACHOUT WIRELESS™ accounts that have no activity for a period of sixty (60) days will be canceled, and the phone will be deactivated. You have to option of re-enrolling in the *REACHOUT WIRELESS™* program by calling 1-877-870-9444. All initial certification requirements will still apply.

International Long Distance: You may use your *REACHOUT WIRELESS™* phone to make international calls to landlines (including some cellular phones in some countries) but additional per minute rates apply. The actual rates and the available countries are subject to change without prior notice. (See www.Reachoutwireless.com for available countries and details). Airtime deductions for international calls begin the moment the International Long Distance ("ILD") access number is dialed and apply to dropped calls, misdialled numbers and busy destination numbers. When making international calls, you may experience connection failures more frequently than calls made within the United States. *REACHOUT WIRELESS™* reserves the right to block calls to any international location without notice, and to suspend or terminate international calling capability without notice. Call Forwarding is blocked to all international locations. *REACHOUT WIRELESS™* reserves the right to require subscribers, in order to complete an international call, the requirement to first dial a toll free number; or enter a "pound code;" or a "short code;" or a "star code" in order to complete the call.

International Calling: Per minute international long distance charges apply in addition to regular airtime charges. Higher charges may apply to mobile terminated calls in certain countries. International calling rates a subject to change without notice.

REACHOUT WIRELESS™ will not credit airtime minutes deducted for unsuccessful calls. You will not be able to make or receive calls on your *REACHOUT WIRELESS™* phone when you are located outside of the 50 United States.

Adding Additional Airtime: Your *REACHOUT WIRELESS™* phone will only operate when you have airtime minutes/units/value available on the *REACHOUT WIRELESS™* handset. If you run out of your free monthly allotment of airtime, you may purchase and add airtime to your phone.

Additional Airtime Cards: *REACHOUT WIRELESS™* customers may purchase and use any *REACHOUT WIRELESS™* airtime cards, or obtain additional airtime directly through *REACHOUT WIRELESS™*. You add airtime by entering the PIN obtained from a *REACHOUT WIRELESS™* airtime card. You must add your airtime to your *REACHOUT WIRELESS™* phone within one year from the date of purchase; otherwise the card/PIN expires and you will not be able to add those minutes to your *REACHOUT WIRELESS™* phone; nor receive a refund for any unused minutes. Each Nexus airtime card comes with a number of minutes and a service period that begins to run from the day you add airtime to your *REACHOUT WIRELESS™* phone.

Any airtime purchased and loaded on to a *REACHOUT WIRELESS™* Non-Lifeline Non-Government Assisted handset will be valid and available for use for up to 90 days from the date the airtime value was loaded if no additional airtime purchase(s) are loaded within the 90 day period from the date the last airtime purchase was loaded. Failure to purchase and load additional airtime within the 90 day period from the date the last airtime purchase was loaded will result in loss of any unused airtime.

Maintaining an active account: In order to keep your service active on the *REACHOUT WIRELESS™* Non-Lifeline Non-Government Assisted, you must purchase and load airtime at least once during any consecutive 120 day period. As explained above, airtime expires 90 days from date of loading. If no additional airtime is loaded within 30 days after the 90 day expiration of your airtime (90 days + 30 days= 120 days), then your service on the *REACHOUT WIRELESS™* Non-Lifeline Non-Government Assisted will be deactivated.

Once deactivated *REACHOUT WIRELESS™* may also reassign your phone number to a different user. If your *REACHOUT WIRELESS™* Non-Lifeline Non-Government Assisted phone number is deactivated for non-use as described above, then a new phone number will be assigned to you by *REACHOUT WIRELESS™* and all outstanding activation fees must be paid prior to reactivation on the *REACHOUT WIRELESS™* Non-Lifeline Non-Government Assisted service.

Bonus Minutes: *REACHOUT WIRELESS™* may from time to time offer Bonus minutes on minutes purchased via airtime card, PIN, or directly from *REACHOUT WIRELESS™*. The free monthly allotment of *REACHOUT WIRELESS™* minutes received by the customer while enrolled in the *REACHOUT WIRELESS™* program, will not increase in value/airtime with the purchase of any additional airtime.

A fee may apply to all the *REACHOUT WIRELESS™* rate plan changes.

Service End Date: Is the last day of your *REACHOUT WIRELESS™* service period. Airtime minutes added to your *REACHOUT WIRELESS™* account do not expire if you elected to be on a rollover plan and as long as your *REACHOUT WIRELESS™* account remains active, and at least one airtime transaction occurs during a consecutive sixty (60) day period. An Airtime transaction can include, but is not limited to, per minute voice cellular call, inbound SMS text message, outbound SMS text message, or data usage. Service End Date can be calculated from (i) the date your *REACHOUT WIRELESS™* account became active; (ii) the date you placed or received the initial airtime transaction on your *REACHOUT WIRELESS™* account; (iii) the receipt of the monthly allotment of *REACHOUT WIRELESS™* plan airtime minutes; (iii) or the purchase or addition of a *REACHOUT WIRELESS™* airtime card, or (iii) the date you were determined to be eligible for the *REACHOUT WIRELESS™* plan, whichever can be conclusively determined by *REACHOUT WIRELESS™* at its sole discretion.

If for whatever reason your *REACHOUT WIRELESS™* service is suspended within the initial (or subsequent twelve month renewal period, or any subsequent twelve month renewal period thereafter) and subsequently restored you will only receive the monthly minutes that you were entitled to receive until being suspended but you will lose any minutes that you would have received during your suspension period. If your *REACHOUT WIRELESS™* service is deactivated for whatever reason within the initial twelve month period after initial enrollment, and you desire to re-activate your *REACHOUT WIRELESS™* service then you will need to re-qualify and re-enroll and no replacement or reimbursement of unused minutes will be provided. If your account is *REACHOUT WIRELESS™* Lifeline service is deactivated for whatever reason within the initial twelve month period after initial enrollment *REACHOUT WIRELESS™* reserves the right to void any unused minutes on a Lifeline account, if any unused minutes remain on that account. If for whatever reason Nexus were to lose its ability to seek reimbursement for Lifeline or Link-Up, Nexus reserves the right to void or cancel any unused minutes (and or monetary value) associated with Lifeline subsidized service.

If you fail to annually verify continued eligibility for the Lifeline program and fail to re-qualify and re-enroll in the *REACHOUT WIRELESS™* service so and you do not purchase any additional airtime minutes, then your *REACHOUT WIRELESS™* service will be deactivated and you will potentially lose your phone number, even if you have minutes remaining.

The purchase of any *REACHOUT WIRELESS™* airtime card is non-refundable. *REACHOUT WIRELESS™* airtime cards, airtime rate plans, and card denominations are subject to change without prior notice.

Non-Utilization De-Enrollment and Deactivation: If a Reachout Wireless subscriber exceeds two (2) months without any Utilization (as defined in this section), the Reachout Wireless subscriber will be de-enrolled from the Reachout Wireless Lifeline Program. "Utilization" is defined as any transaction including, but not limited to, making or receiving a call, making an attempted call, checking voicemail message, sending or opening a text message, checking airtime balance by dialing pound 6673, downloading content, data usage or adding airtime. Upon de-enrollment for non-Usage, the Reachout Wireless subscriber will have up to a thirty (30) day grace period to reenroll by demonstrating usage activity or by contacting the Reachout Wireless Lifeline Program by calling 877-870-9444. If you do not re-enroll or call Reachout Wireless customer service within thirty (30) days of your de-enrollment, your phone service will be deactivated and any airtime will be lost.

In order to reactivate your Reachout Wireless phone and re-enroll in the Reachout Wireless Lifeline Program, you will need to call Reachout Wireless customer service and you will need to pay a Service Activation Fee ("SAF") Upon re-enrollment in the Reachout Wireless Lifeline Program, you will be provided your first entitlement of airtime for the thirty (30) day period of time in which the service was reactivated.

MMS Data Services: *REACHOUT WIRELESS™* is not responsible to provide Data Services. With existing *REACHOUT WIRELESS™* phone models, subscribers are not able to download ring tones, graphics, access information services such as news, weather and sports ("Information Services") and utilize multi-media services ("MMS") (ringtones, graphics, Information Services and MMS are collectively referred to as "Data Services"). Data Services are not currently additional Services offered by the *REACHOUT WIRELESS™*.

In case of damage or destruction of any of *REACHOUT WIRELESS™* equipment, handset or accessories due to the negligence or willful act of the *REACHOUT WIRELESS™* subscriber, the *REACHOUT WIRELESS™* subscriber will be held responsible for the cost of restoring the equipment, handset or accessories to its original condition, or of replacing the equipment, handset or accessories destroyed, or will be responsible to pay an equipment replacement fee. *REACHOUT WIRELESS™* may suspend a subscriber's service while the subscriber effectuates replacement or repair of the equipment, handset or accessories.

All *REACHOUT WIRELESS™* handset makes and models provided under the *REACHOUT WIRELESS™* program are selected and dispensed at the sole option of *REACHOUT WIRELESS™*.

REACHOUT WIRELESS™ recycles used phones.

REACHOUT WIRELESS™ phone models will vary. *REACHOUT WIRELESS™* reserves the right to substitute and/or replace any *REACHOUT WIRELESS™* equipment (including handsets) with other *REACHOUT WIRELESS™* equipment at any time and at the sole discretion of *REACHOUT WIRELESS™*.

REACHOUT WIRELESS™ subscribers acquire no proprietary interest in any telephone number assigned to their *REACHOUT WIRELESS™* account. *REACHOUT WIRELESS™* subscribers must accept the telephone number assigned to the *REACHOUT WIRELESS™* account at the time of activation, which shall be assigned at the sole discretion of *REACHOUT WIRELESS™*.

Your *REACHOUT WIRELESS™* handset can only be used through *REACHOUT WIRELESS™* and cannot be activated with any other wireless or cellular service provider. Any unauthorized use of your *REACHOUT WIRELESS™* handset, including without limitation, any resale, unlocking and/or re-flashing of the handset is unauthorized and may result in immediate discontinuance of service along with legal action. Any attempt at tampering with or altering *REACHOUT WIRELESS™* phone or its software by unlocking, re-flashing, entering unauthorized PINs, or engaging in any other unauthorized or illegal use of your *REACHOUT WIRELESS™* phone or the Service, or assisting others in such acts, including but not limited to selling your *REACHOUT WIRELESS™* handsets or minutes will be prosecuted to the fullest extent of the law. You hereby agree that any illegal or unauthorized use or sale of your *REACHOUT WIRELESS™* phone or minutes shall entitle Nexus to recover liquidated damages from you in an amount of not less than \$5,000 per *REACHOUT WIRELESS™* handset used in violation of this agreement.

REACHOUT WIRELESS™ service is subject to certain limitations caused by many factors. Some of but not all of the factors can include, system issues, equipment compatibility issues, geographical limitations, atmospheric conditions, and other conditions outside of the control of *REACHOUT WIRELESS™*. Likewise, *REACHOUT WIRELESS™* Service may be interrupted, quality degraded, blocked, or limited due to system capacity limitations, technology migration or limitations imposed by the Carrier, or due to but not limited to, equipment malfunction, outages, modifications, repairs or other similar actions on the part of *REACHOUT WIRELESS™* to maintain its service offering. Neither Nexus, nor any Carrier, shall have any liability whatsoever for service failures, outages or limitations of *REACHOUT WIRELESS™* service.

REACHOUT WIRELESS™ cannot and does not warrant or guarantee availability of its wireless services nor guarantee that *REACHOUT WIRELESS™* services will be provided without interruption.

REACHOUT WIRELESS™ services are provided at Nexus' sole discretion.

REACHOUT WIRELESS™ may modify or cancel any Service or take corrective action at any time without prior notice and for any reason, including but not limited to your violation of *REACHOUT WIRELESS™* terms and conditions.

REACHOUT WIRELESS™ customer service can be reached by dialing 1-877-870-9444.

CHARGES YOU ARE RESPONSIBLE FOR: You are responsible for paying all charges for or resulting from services provided hereunder. Charges may include, without limitation: airtime, roamer, recurring monthly service, activation, administrative, returned-check and late payment charges; network and other surcharges; optional feature charges; toll, collect call and directory assistance charges; any other charges or calls charged to your phone number; and applicable taxes, surcharges and governmental fees, whether assessed directly upon you or upon Nexus. Nexus reserves the right to add its own charges to those charged by third parties. Payment for all charges is made in advance and there is no proration of such charges. You hereby agree to pay for incoming and outgoing calls to and from your phone. Additional charges may apply for detailed information about your usage of services. Unless otherwise specifically provided for hereunder any unused allotment of services from one monthly period will not carry over to the next monthly period.

AIRTIME AND OTHER MEASURED VOICE USAGE ("CHARGEABLE TIME") IS BILLED IN FULL-MINUTE INCREMENTS AND IS ROUNDED UP TO THE NEXT FULL-MINUTE INCREMENT AT THE END OF EACH CALL FOR CHARGING PURPOSES. NEXUS CHARGES A FULL MINUTE OF AIRTIME USAGE FOR EVERY FRACTION OF THE LAST MINUTE OF AIRTIME USED ON EACH WIRELESS CALL.

Chargeable Time begins for outgoing calls when you press SEND (or similar key) and for incoming calls when a signal connection from the caller is established with our facilities. Chargeable Time ends after you press END (or similar key), but not until your wireless telephone's signal of call disconnect is received by our facilities and the call disconnect signal has been confirmed.

ACCOUNT ACCESS: *REACHOUT WIRELESS™* may provide information about and to make changes to *REACHOUT WIRELESS™* subscriber's accounts, including, but not limited to, suspending, deactivating, adding new service, changing service, providing information that my amount to Customer Proprietary Network Information ("CPNI") upon the direction of any person able to provide information *REACHOUT WIRELESS™* deems sufficient to identify you as the *REACHOUT WIRELESS™* subscriber.

Your caller identification information (such as your name and phone number) may be displayed on the equipment or bill of the person receiving your call; technical limitations may, in some circumstances, prevent you from blocking the transmission of caller identification information. You hereby consent to the use by *REACHOUT WIRELESS™* or our authorized agents of regular mail, predictive or autodialing equipment, email, text messaging, facsimile or other reasonable means to contact you the *REACHOUT WIRELESS™* subscriber to advise you about our services or other matters *REACHOUT WIRELESS™* may believe to be of interest to you the *REACHOUT WIRELESS™* subscriber. The *REACHOUT WIRELESS™* reserves the right to contact you the *REACHOUT WIRELESS™* subscriber by any means regarding customer service related notifications, or other such information.

If you do not want to accept these terms and conditions, do not activate an *REACHOUT WIRELESS™* phone or use your *REACHOUT WIRELESS™* phone after you make a change to your account and contact *REACHOUT WIRELESS™* at 1-877-870-9444.

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Overview of the Lifeline and Link-Up Program

REACHOUT WIRELESS™ service offering is a part of a program that derives from the Universal Service Fund. The part of the program that *REACHOUT WIRELESS™* offers to qualified subscribers is called the Lifeline and Link Up program. Lifeline and Link Up provide discounts that make telephone service (and wireless service) more affordable for more than 7 million Americans. The wireline and wireless companies that provide Lifeline and Link-Up are approved to participate in the low income program of the Universal Service Fund for the revenue they forgo by providing discounted service to eligible consumers.

What is Lifeline Support?

Lifeline is essentially monthly support that lowers the cost of monthly local wireline or wireless telephone service. An eligible customer may receive the Lifeline discount on either a wireline or wireless connection, but the discount is available for only one telephone connection per household. Lifeline support is essentially a monthly support amount that varies between states, and eligible consumers can receive up to \$10.00 per month in Lifeline subsidies.

What is Link Up Support?

Link Up is essentially a one-time support that reduces the one-time cost associated with initiating telephone service to an eligible consumer. Link Up discounts reduce the cost of either wireline or wireless service. An eligible consumer may only receive the Link Up discount once, unless that consumer moves to a new residence. Consecutive discounts at the same address are not allowed. Carriers that provide Link-Up only to eligible consumers who qualifying for Link Up support.

In order to qualify for and participate in the *REACHOUT WIRELESS™* Lifeline and Link Up service offering, a person must meet certain state and federal eligibility requirements that can be unique to the particular state where the subscriber resides and the Service is to be provided.

These state and federal eligibility requirements are based on several factors. Eligible subscribers can qualify for the Lifeline and Link Up program one of two ways: Either through what is known as 1) Program Based Eligibility or 2) Income Based Eligibility.

PROGRAM BASED ELIGIBILITY: Generally under the Program Based Eligibility criteria, subscribers are eligible to receive Lifeline discounts if they participate in one or more of the following programs:

- Medicaid
- Food Stamps
- Supplemental Security Income (also know as SSI)
- Federal Public Housing Assistance (Section 8)
- Low Income Home Energy Assistance Program (LIHEAP)
- National School Lunch program's free lunch program
- Temporary Assistance for Needy Families Program (TANF)

Program Based Eligibility criteria varies by state. To determine if your state provides service in your area you should refer to the *REACHOUT WIRELESS™* website found at www.Reachoutwireless.com.

Generally under the Income Based Eligibility criteria, subscribers are eligible to receive Lifeline discounts if their total combined household income meets the Income Poverty Guidelines as

defined by the U.S. Government. Income based criteria varies by state.

INCOME BASED ELIGIBILITY: To demonstrate eligibility based upon Income Based Eligibility criteria only, please fax or mail the following information:

A signed REACHOUT WIRELESS™ Lifeline and Link-Up application form signed and dated along with documentation demonstrating proof of income and total amount of household income for last year (Example: income tax return form, W2 form).

Some states do not offer Income Based Eligibility criteria for Lifeline and Link-Up. Please review the state specific requirements for Income Based Eligibility criteria before submitting an Income Based Eligibility application.

Some restrictions on REACHOUT WIRELESS™ Lifeline and Link Up Service application requirements include, but are not limited to:

REACHOUT WIRELESS™ Lifeline and Link Up Service offering is limited to one (1) per household;

All potential subscribers applying for the REACHOUT WIRELESS™ Lifeline and Link Up Service offering must declare under penalty of perjury that:

Applicant authorizes Nexus, Inc., d/b/a REACHOUT WIRELESS™ or its duly appointed representative(s) to access records relating to applicant, applicant's family, that may reside in any state or federal database to verify applicant's eligibility for the Lifeline/Linkup program;

Applicant authorizes representatives of any state or federal assistance programs to discuss with and/or provide copies of or records relating to applicant if requested by REACHOUT WIRELESS™;

Applicant authorizes representatives of any state or federal assistance programs to verify applicant's participation in any state or federal assistance programs and applicant's eligibility for Lifeline or Link-Up service;

Applicant will notify REACHOUT WIRELESS™ if and when applicant no longer participates in at least one of the qualifying state or federal assistance programs;

Applicant certifies that applicant has not utilized Link-Up at applicant's existing address;

Applicant certifies that applicant does not currently have Lifeline service and no other resident at applicant's residential address participates in the Lifeline program;

If Applicant has Lifeline service now applicant agrees to cancel applicant's current Lifeline support in favor of REACHOUT WIRELESS™;

Applicant affirms that applicant is over eighteen, head of household and that applicant is not claimed as a dependant on another person's federal or state income tax return;

Applicant agrees to notify REACHOUT WIRELESS™ if applicant has a change of address;

Applicant affirms under penalty of perjury, that the foregoing representations are true and correct to the best of applicant's knowledge and belief.

Upon written request, applicants who do not meet the eligibility requirements will be provided with the reason for non-eligibility.

REACHOUT WIRELESS™ cannot certify or verify your eligibility for Lifeline Link-Up service without the submission of your Social Security Number. REACHOUT WIRELESS™ The information is strictly confidential and will not be disclosed without your consent. If you submit your Social Security Number online your personal information is Secure Socket Layer (SSL) encrypted.

Description of Annual Recertification/Verification

For applicants who successfully submit a REACHOUT WIRELESS™ application if and when required and for applicants who meet the specific eligibility requirements, those approved applicants will receive a free cellular phone provided by REACHOUT WIRELESS™ along with a free allotment of airtime minutes each month for a period of twelve (12) consecutive months from the service start date.

Nexus reserves the right to determine at its sole discretion whether or not an applicant meets the eligibility requirements to participate and/or continue to participate in the REACHOUT WIRELESS™ Service.

The actual amount of airtime minutes eligible subscriber's will receive on a monthly basis varies from state to state. Nexus reserves the right to change or modify, increase or decrease the actual amount of airtime minutes and eligible subscriber's will receive on a monthly basis without notice.

Every REACHOUT WIRELESS™ Service enrolled subscriber will be required to re-qualify on an annual basis to remain eligible to receive benefits under the REACHOUT WIRELESS™ program. Each REACHOUT WIRELESS™ subscriber is required to re-qualify for the Lifeline and Link-Up program pursuant to the appropriate federal and/or state rules associated with verification of Lifeline and Link-Up.

Nexus reserves the right to determine at its sole discretion if a REACHOUT WIRELESS™ subscriber meets the annual Recertification/Verification requirements and if the subscriber fails to re-qualify for REACHOUT WIRELESS™ Service.

If Nexus determines that a customer fails to re-qualify for REACHOUT WIRELESS™ Service, such customer will immediately be deemed ineligible to participate in the REACHOUT WIRELESS™ Service and will no longer receive the free monthly minutes. Once a customer no longer participates in the REACHOUT WIRELESS™ Service (either by choice, disqualification, cancellation or termination), such customer may retain the REACHOUT WIRELESS™ handset.

REACHOUT WIRELESS™ subscribers who fail to meet the annual Recertification/Verification requirements, may remain as a Nexus customer however that subscriber will no longer receive the free monthly minutes.

Upon the request of a state and/or federal authority, a REACHOUT WIRELESS™ customer's enrollment may also be cancelled. REACHOUT WIRELESS™ reserves the right to cancel the enrollment of any customer and suspend or deactivate any REACHOUT WIRELESS™ phone for any fraud related reasons.

OPTION TO DE-ENROLL. REACHOUT WIRELESS™ subscribers have the ability to de-enroll from the REACHOUT WIRELESS™ program at any time for any reason. Subscribers who choose to de-enroll from the REACHOUT WIRELESS™ program will no longer be entitled to receive the free monthly minutes. Subscribers who choose to voluntarily de-enroll from the REACHOUT WIRELESS™ program will be required to re-qualify for the Lifeline and Link-Up program pursuant to the appropriate federal and/or state rules associated with verification of Lifeline and Link-Up. Subscribers who choose to voluntarily de-enroll from the REACHOUT WIRELESS™ program will be required to do so in writing and must provide REACHOUT WIRELESS™ program sufficient information for REACHOUT WIRELESS™ to conclusively determine the de-enrolling subscriber's identity. All voluntarily de-enrollments should be sent to:

Nexus Communications, Inc., dba REACHOUT WIRELESS™

P.O. Box 247168

Columbus, OH 43224

Voluntarily de-enrollments can also be sent in writing via fax to: 740-548-1173

SUPPORTED SERVICES

Voice Grade Access to the Public Switched Telephone Network: Voice grade access to the public switched telecommunications network ("PSTN") is a functionality that enables a subscriber of telecommunications services to transmit voice communications, including signaling the network that the caller wishes to place a call, and to receive voice communications, including receiving a signal indicating there is an incoming call in a bandwidth, at a minimum, between 300 and 3,000 Hertz. Nexus service provides wireless access to the Public Switched Network.

Dual Tone Multi-Frequency ("DTMF") Signaling or Its Functional Equivalent: DTMF is a method of signaling that facilitates the transportation of signaling through the public telecommunications network, shortening call set-up time. All Nexus provided telephone handsets are DTMF-capable.

Single-party Service or its Functional Equivalent: Single-party wireless service is a dedicated message path for the length of a subscriber's particular transmission. Nexus provides customers with single-party access for the duration of every phone call but does not provide multi-party or party Line service.

Access to 911 and E911 Emergency Service: Access to Emergency Service is a service that permits a subscriber, by dialing the three-digit code 911, to call emergency services through a Public Service Access Point (PSAP) operated by local government.

Access to Operator Services: Access to operator services is access to any automatic or live assistance to a consumer to arrange for billing or completion, or both, of a telephone call.

Access to Interexchange Service: Access to interexchange service is a service that permits a telecommunications user to complete a long distance call or toll call.

Access to Directory Assistance: Access to directory assistance is access to a service of making available to customers, upon request, information contained in directory listing.

Toll Limitation Service: Nexus subscribers have the optional ability to use their service to complete a long distance call or toll call in an amount of service that limits the amount of service to which they have already paid.

1-Arkansas

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Lifeline

Lifeline is a government subsidized program designed to help eligible low-income households receive home telephone service at a reduced rate. *REACHOUT WIRELESS™* applies the Universal Service Fund subsidy to an allotment of free airtime minutes and *REACHOUT WIRELESS™* provides the wireless handset at the company's expense. Instead of receiving a subsidized monthly telephone bill for Lifeline service, *REACHOUT WIRELESS™* converts the total amount of discounted service into minutes each month for one year. Qualifying households can receive subsidy of up to \$12.40 which includes a company included discount of \$3.60 which equates to sixty-two (62) free minutes a month.

How do I know if I am eligible?

Eligibility for Lifeline discounts are based on the following.

Program Based Eligibility - Under the Program Based Eligibility Criteria, you are eligible to receive Lifeline discounts if you participate in one or more of the following programs:

- Medicaid
- Food Stamps
- Supplemental Security Income (also know as SSI)
- Federal Public Housing Assistance (Section 8)
- Low Income Home Energy Assistance Program (LIHEAP)
- National School Lunch program's free lunch program
- Temporary Assistance for Needy Families Program (TANF)

Income Based Eligibility – Customers residing in the state of Arkansas also qualify if they have a total household income at or below 135% of the federal poverty guidelines as indicated below.

Number of Persons in Household	Total Annual Household Income	Total Monthly Household Income
1	\$14,621	\$1,218.42
2	\$19,670	\$1,639.17
3	\$24,719	\$2,059.91
4	\$29,768	\$2,480.67
5	\$34,817	\$2,901.42
6	\$39,866	\$3,322.17
7	\$44,915	\$3,742.92
8	\$49,964	\$4,163.67
For Each Additional Person, add	\$5,049	\$420.75

For additional information, contact a *REACHOUT WIRELESS™* customer service representative at 877-870-9444.

How do I apply?

Individuals claiming program-based eligibility must self-certify, under penalty of perjury, their eligibility through participation in one of the programs listed above.

Individuals claiming income-based eligibility must sign a form self-certifying, under penalty of perjury, their total household income and the number of people in their household. In addition, customers must present acceptable documentation of income which includes:

- the prior year's state, federal, or tribal tax return
- current income statement from an employer or paycheck stub
- a Social Security statement of benefits, Veterans Administration statement of benefits, or a retirement/pension statement of benefits
- an Unemployment/Workmen's Compensation statement of benefits

- federal or tribal notice letter of participation in General Assistance
- a divorce decree, child support, or other official document

If documentation that does not cover a full year is used to as proof of income, you must present three consecutive months worth of the same types of document within that calendar year.

Discounts will not apply until all required documentation is received.

To apply for Lifeline, or to see if you are eligible, contact a *REACHOUT WIRELESS™* at 877-870-9444.

How do I continue to receive Lifeline benefits?

Eligibility is verified on an annual basis (yearly) at which time the subscriber will be required to self-certify that they are still participating in a qualifying program. Discounts are removed from the account of a customer who is no longer eligible or in the event that proof is not received within the time frame allowed.

Link Up

Link Up helps you save money by providing a discount of up to 50% (maximum of \$30) off of the charges associated with activating your primary service or moving your existing Lifeline service to a new address.

Eligible customers may only receive the Link Up discount one time at their existing address.

The qualifications for Link Up are the same as the qualifications for Lifeline and discounts will not be applied until customer self-certification has been received.

2 - Illinois

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Lifeline

Lifeline is a government subsidized program designed to help eligible low-income households receive home telephone service at a reduced rate. *REACHOUT WIRELESS™* applies the Universal Service Fund subsidy to an allotment of free airtime minutes and *REACHOUT WIRELESS™* provides the wireless handset at the company's expense. Instead of receiving a subsidized monthly telephone bill for Lifeline service, *REACHOUT WIRELESS™* converts the total amount of discounted service into minutes each month for one year. Qualifying households can receive subsidy of up to \$10.00 which includes a company included discount of \$3.72 which equates to fifty (50) free minutes a month.

How do I know if I am eligible?

Eligibility for Lifeline discounts are based on the following.

Program Based Eligibility - Under the Program Based Eligibility Criteria, you are eligible to receive Lifeline discounts if you participate in one or more of the following programs:

- Medicaid
- Food Stamps
- Supplemental Security Income (also know as SSI)
- Federal Public Housing Assistance
- Low Income Home Energy Assistance Program (LIHEAP)
- National School Lunch free lunch program
- Temporary Assistance for Needy Families Program (TANF)

Income Based Eligibility - Currently, customers residing in the state of Illinois are not eligible to receive Lifeline discounts based on income criteria alone.

Are there any Restrictions?

Lifeline discounts apply only to the primary telephone line of an eligible household. However, additional services are available to qualified Lifeline customers at regular prices.

For additional information, contact a *REACHOUT WIRELESS™* customer service representative at 877-870-9444.

How do I apply?

Individuals claiming eligibility must self-certify, under penalty of perjury, their eligibility through participation in one of the programs listed above.

To apply for Lifeline, or to see if you are eligible, contact *REACHOUT WIRELESS™* at 877-870-9444.

How do I continue to receive Lifeline benefits?

Eligibility is verified on an annual basis (yearly) at which time the subscriber will be required to self-certify that they are still participating in a qualifying program. Discounts are removed from the account of a customer who is no longer eligible or in the event that proof is not received within the time frame allowed.

Link Up

Link Up helps you save money by providing a discount of up to 50% (maximum of \$30) off of the charges associated with activating your primary service or moving your existing Lifeline service to a new address.

Eligible customers may only receive the Link Up discount one time at their existing address.

The qualifications for Link Up are the same as the qualifications for Lifeline and discounts will not be applied until customer self-certification has been received.

3- Kansas

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Lifeline

Lifeline is a government subsidized program designed to help eligible low-income households receive home telephone service at a reduced rate. *REACHOUT WIRELESS™* applies the Universal Service Fund subsidy to an allotment of free airtime minutes and *REACHOUT WIRELESS™* provides the wireless handset at the company's expense. Instead of receiving a subsidized monthly telephone bill for Lifeline service, *REACHOUT WIRELESS™* converts the total amount of discounted service into minutes each month for one year. Qualifying households can receive subsidy of up to \$10.00 which includes a company included discount of \$1.97 which equates to fifty (50) free minutes a month.

How do I know if I am eligible?

Eligibility for Lifeline discounts are based on the following.

Program Based Eligibility - Under the Program Based Eligibility Criteria, you are eligible to receive Lifeline discounts if you participate in one or more of the following programs:

- Temporary Assistance for Needy Families (TANF)
- Supplemental Security Income (SSI)
- Food Stamps
- Medicaid
- Federal Public Housing Assistance/Section 8
- Low Income Home Energy Assistance Program (LIHEAP)
- National School Lunch (NSL) free lunch program

Income Based Eligibility – Under the Income Based eligibility Criteria, you are eligible if your household income level is at or below 150% of the federal poverty guidelines as indicated below.

Number of Persons in Household	Total Annual Household Income	Total Monthly Household Income
1	\$16,245	\$1,353.75
2	\$21,855	\$1,821.25
3	\$27,465	\$2,288.75
4	\$33,075	\$2,756.25
5	\$38,685	\$3,223.75
6	\$44,295	\$3,691.25
7	\$49,905	\$4,158.75
8	\$55,515	\$4,626.25
For Each Additional Person, add	\$5,610	\$467.50

Are there any Restrictions?

Lifeline discounts apply only to the primary telephone line of an eligible household. However, additional services are available to qualified Lifeline customers at regular prices.

For additional information, contact a *REACHOUT WIRELESS™* customer service representative at 877-870-9444.

How do I apply?

Individuals claiming program-based eligibility must self-certify, under penalty of perjury, their eligibility through participation in one of the programs listed above.

Customer's claiming income-based eligibility must sign a form self-certifying, under penalty of perjury, their income and the total number of persons in their household along with documentation that provides proof of income such as a copy of the prior year's tax return. Any other type of documentation, presented as proof of income, must consist of three (3) consecutive months of statements.

Lifeline discounts will not apply until all required documentation is received.

To apply for Lifeline, or to see if you are eligible, contact a *REACHOUT WIRELESS*™ 877-870-9444.

How do I continue to receive Lifeline benefits?

Eligibility is verified on an annual basis (yearly) at which time the subscriber will be required to self-certify that they are still participating in a qualifying program. Discounts are removed from the account of a customer who is no longer eligible or in the event that proof is not received within the time frame allowed.

Link Up

Link Up helps you save money by providing a discount of up to 50% (maximum of \$30) off of the charges associated with activating your primary service or moving your existing Lifeline service to a new address.

Eligible customers may only receive the Link Up discount one time at their existing address.

The qualifications for Link Up are the same as the qualifications for Lifeline and discounts will not be applied until customer self-certification has been received.

4- Louisiana

Lifeline

Lifeline is a government subsidized program designed to help eligible low-income households receive home telephone service at a reduced rate. *REACHOUT WIRELESS*™ applies the Universal Service Fund subsidy to an allotment of free airtime minutes and *REACHOUT WIRELESS*™ provides the wireless handset at the company's expense. Instead of receiving a subsidized monthly telephone bill for Lifeline service, *REACHOUT WIRELESS*™ converts the total amount of discounted service into minutes each month for one year. Qualifying households can receive subsidy of up to \$10.00 which includes a company included discount of \$1.75 which equates to fifty (50) free minutes a month.

How do I know if I am eligible?

Eligibility for Lifeline discounts are based on the following.

Program Based Eligibility - Under the Program Based Eligibility Criteria, you are eligible to receive Lifeline discounts if you participate in one or more of the following programs:

- Medicaid
- Food Stamps
- Supplemental Security Income (also know as SSI)
- Federal Public Housing Assistance (Section 8)
- Low Income Home Energy Assistance Program (LIHEAP)
- National School Lunch program's free lunch program
- Temporary Assistance for Needy Families Program (TANF)

Income Based Eligibility – Customers residing in the state of Louisiana also qualify if they have a total household income at or below 135% of the federal poverty guidelines as indicated below.

Number of Persons in Household	Total Annual Household Income	Total Monthly Household Income
1	\$14,621	\$1,218.42
2	\$19,670	\$1,639.17
3	\$24,719	\$2,059.91
4	\$29,768	\$2,480.67
5	\$34,817	\$2,901.42
6	\$39,866	\$3,322.17
7	\$44,915	\$3,742.92
8	\$49,964	\$4,163.67
For Each Additional Person, add	\$5,049	\$420.75

Are there any Restrictions?

Lifeline discounts apply only to the primary telephone line of an eligible household. However, additional services are available to qualified Lifeline customers at regular prices.

For additional information, contact a *REACHOUT WIRELESS*™ customer service representative at 877-870-9444.

How do I apply?

Individuals claiming program-based eligibility must self-certify, under penalty of perjury, their eligibility through participation in one of the programs listed above.

Individuals claiming income-based eligibility must sign a form self-certifying, under penalty of perjury, their total household income and the number of people in their household. In addition, customers must present acceptable documentation of income which includes:

- the prior year's state, federal, or tribal tax return
- current income statement from an employer or paycheck stub
- a Social Security statement of benefits, Veterans Administration statement of benefits, or a retirement/pension statement of benefits
- an Unemployment/Workmen's Compensation statement of benefits
- federal or tribal notice letter of participation in General Assistance
- a divorce decree, child support, or other official document

If documentation that does not cover a full year is used to as proof of income, you must present three consecutive months worth of the same types of document within that calendar year.

Discounts will not apply until all required documentation is received.

To apply for Lifeline, or to see if you are eligible, contact a *REACHOUT WIRELESS™* at 877-870-9444.

How do I continue to receive Lifeline benefits?

Eligibility is verified on an annual basis (yearly) at which time the subscriber will be required to self-certify that they are still participating in a qualifying program. Discounts are removed from the account of a customer who is no longer eligible or in the event that proof is not received within the time frame allowed.

Link Up

Link Up helps you save money by providing a discount of up to 50% (maximum of \$30) off of the charges associated with activating your primary service or moving your existing Lifeline service to a new address.

Eligible customers may only receive the Link Up discount one time at their existing address.

The qualifications for Link Up are the same as the qualifications for Lifeline and discounts will not be applied until customer self-certification has been received.

5 - Michigan

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Lifeline

Lifeline is a government subsidized program designed to help eligible low-income households receive home telephone service at a reduced rate. *REACHOUT WIRELESS™* applies the Universal Service Fund subsidy to an allotment of free airtime minutes and *REACHOUT WIRELESS™* provides the wireless handset at the company's expense. Instead of receiving a subsidized monthly telephone bill for Lifeline service, *REACHOUT WIRELESS™* converts the total amount of discounted service into minutes each month for one year. Qualifying households can receive subsidy of up to \$13.60 which includes a company included discount of \$6.09 which equates to sixty-eight (68) free minutes a month.

How do I know if I am eligible?

Eligibility for Lifeline discounts are based on the following.

Program Based Eligibility - Under the Program Based Eligibility Criteria, you are eligible to receive Lifeline discounts if you participate in one or more of the following programs:

- Medicaid
- Food Stamps
- Supplemental Security Income (SSI)
- Federal Public Housing Assistance (Section 8)
- Low Income Home Energy Assistance Program (LIHEAP)
- Temporary Assistance to Families
- National School Lunch Program's Free Lunch

Income Based Eligibility – Under the Income Based Eligibility Criteria, you are eligible if your household income level is at or below 150% of the federal poverty guidelines as indicated below.

Number of Persons in Household	Total Annual Household Income	Total Monthly Household Income
1	\$16,245	\$1,353.75
2	\$21,855	\$1,821.25
3	\$27,465	\$2,288.75
4	\$33,075	\$2,756.25
5	\$38,685	\$3,223.75
6	\$44,295	\$3,691.25
7	\$49,905	\$4,158.75
8	\$55,515	\$4,626.25
For Each Additional Person, add	\$5,610	\$467.50

Are there any Restrictions?

Lifeline discounts apply only to the primary telephone line of an eligible household. However, additional services are available to qualified Lifeline customers at regular prices.

For additional information, contact a *REACHOUT WIRELESS™* customer service representative at 877-870-9444.

How do I apply?

Individuals claiming program-based eligibility must self-certify, under penalty of perjury, their eligibility through participation in one of the programs listed above.

Customer's claiming income-based eligibility must sign a form self-certifying, under penalty of perjury, their income and the total number of persons in their household along with documentation that provides proof of income such as a copy of the prior year's tax return. Any other type of documentation, presented as proof of income, must consist of three (3) consecutive months of statements.

Lifeline discounts will not apply until all required documentation is received.

To apply for Lifeline, or to see if you are eligible, contact a *REACHOUT WIRELESS™* at 877-870-9444.

How do I continue to receive Lifeline benefits?

Eligibility is verified on an annual basis (yearly) at which time the subscriber will be required to self-certify that they are still participating in a qualifying program. Discounts are removed from the account of a customer who is no longer eligible or in the event that proof is not received within the time frame allowed.

Link Up

Link Up helps you save money by providing a discount of up to 50% (maximum of \$30) off of the charges associated with activating your primary service or moving your existing Lifeline service to a new address.

Eligible customers may only receive the Link Up discount one time at their existing address.

The qualifications for Link Up are the same as the qualifications for Lifeline and discounts will not be applied until customer self-certification has been received.

6- Missouri

Lifeline

Lifeline is a government subsidized program designed to help eligible low-income households receive home telephone service at a reduced rate. *REACHOUT WIRELESS™* applies the Universal Service Fund subsidy to an allotment of free airtime minutes and *REACHOUT WIRELESS™* provides the wireless handset at the company's expense. Instead of receiving a subsidized monthly telephone bill for Lifeline service, *REACHOUT WIRELESS™* converts the total amount of discounted service into minutes each month for one year. Qualifying households can receive subsidy of up to \$10.00 which includes a company included discount of \$1.97 which equates to fifty (50) free minutes a month.

How do I know if I am eligible?

Eligibility for Lifeline discounts are based on the following.

Program Based Eligibility - Under the Program Based Eligibility Criteria, you are eligible to receive Lifeline discounts if you or a dependent member of your household participates in one or more of the following programs:

- Medicaid
- Food Stamps
- Supplemental Security Income (SSI)
- Federal Public Housing Assistance or Section 8
- National School Lunch Program's free lunch program
- Temporary Assistance for Needy Families
- Low Income Home Energy Assistance Program (LIHEAP)

Income Based Eligibility - Currently, customers residing in the state of Missouri are not eligible to receive Lifeline discounts based on income criteria alone.

Are there any Restrictions?

Lifeline discounts apply only to the primary telephone line of an eligible household. However, additional services are available to qualified Lifeline customers at regular prices.

For additional information, contact a *REACHOUT WIRELESS™* customer service representative at 877-870-9444.

How do I apply?

Individuals claiming eligibility must self-certify, under penalty of perjury, their eligibility through participation in one of the programs listed above by completing a board approved application.

Missouri customers are also required to provide documentation that provides proof of participation. Acceptable documentation includes a valid copy of a document issued by a qualifying agency, such as the Department of Human Services, that establishes proof of participation in the claimed program.

Discounts will not apply until all required documentation is received.

To apply for Lifeline, or to see if you are eligible, contact a *REACHOUT WIRELESS™* at 877-870-9444.

How do I continue to receive Lifeline benefits?

Eligibility is verified on an annual basis (yearly) at which time the subscriber will be required to self-certify that they are still participating in a qualifying program. Discounts are removed from the account of a customer who is no longer eligible or in the event that proof is not received within the time frame allowed.

Link Up

Link Up helps you save money by providing a discount of up to 50% (maximum of \$30) off of the charges associated with activating your primary service or moving your existing Lifeline service to a new address.

Eligible customers may only receive the Link Up discount one time at their existing address.

The qualifications for Link Up are the same as the qualifications for Lifeline and discounts will not be applied until customer self-certification has been received.

7- Tennessee

Lifeline

Lifeline is a government subsidized program designed to help eligible low-income households receive home telephone service at a reduced rate. *REACHOUT WIRELESS™* applies the Universal Service Fund subsidy to an allotment of free airtime minutes and *REACHOUT WIRELESS™* provides the wireless handset at the company's expense. Instead of receiving a subsidized monthly telephone bill for Lifeline service, *REACHOUT WIRELESS™* converts the total amount of discounted service into minutes each month for one year. Qualifying households can receive subsidy of up to \$13.60 which includes a company included discount of \$3.60 which equates to sixty-eight (68) free minutes a month.

How do I know if I am eligible?

Eligibility for Lifeline discounts are based on the following.

Program Based Eligibility - Under the Program Based Eligibility Criteria, you are eligible to receive Lifeline discounts if you participate in one or more of the following programs:

- Food Stamps
- TennCare (Medicaid)
- Supplemental Security Income (SSI)
- Temporary Assistance for Needy Families (TANF)
- Low Income Home Energy Assistance Program (LIHEAP)
- National Free School Lunch
- Federal Public Housing Assistance/Section 8

Income Based Eligibility – if you do not participate in one of the above public assistance programs, you may qualify if your total household income is at or below 135% of the federal poverty level as indicated below.

Number of Persons in Household	Total Annual Household Income	Total Monthly Household Income
1	\$14,621	\$1,218.42
2	\$19,670	\$1,639.17
3	\$24,719	\$2,059.91
4	\$29,768	\$2,480.67
5	\$34,817	\$2,901.42
6	\$39,866	\$3,322.17
7	\$44,915	\$3,742.92
8	\$49,964	\$4,163.67
For Each Additional Person, add	\$5,049	\$420.75

Are there any Restrictions?

Lifeline discounts apply only to the primary telephone line of an eligible household. However, additional services are available to qualified Lifeline customers at regular prices.

For additional information, contact a *REACHOUT WIRELESS™* customer service representative at 877-870-9444.

How do I apply?

Individuals claiming eligibility must self-certify, under penalty of perjury, their eligibility through participation in one of the programs listed above.

Individuals claiming income-based eligibility must sign a form self-certifying, under penalty of perjury, their total household income and the number of people in their household. In addition, customers must present acceptable documentation of income which includes:

- the prior year's state, federal, or tribal tax return
- current income statement from an employer or paycheck stub
- a Social Security statement of benefits, Veterans Administration statement of benefits, or a retirement/pension statement of benefits
- an Unemployment/Workmen's Compensation statement of benefits

- federal or tribal notice letter of participation in General Assistance
- a divorce decree, child support, or other official document

Discounts will not apply until all required documentation is received.

For additional information, or to request an application form, contact Nexus at 877-870-9444.

How do I continue to receive Lifeline benefits?

Eligibility is verified on an annual basis (yearly) at which time the subscriber will be required to self-certify that they are still participating in a qualifying program. Discounts are removed from the account of a customer who is no longer eligible or in the event that proof is not received within the time frame allowed.

Link Up

Link Up helps you save money by providing a discount of up to 50% (maximum of \$30) off of the charges associated with activating your primary service or moving your existing Lifeline service to a new address.

Eligible customers may only receive the Link Up discount one time at their existing address.

The qualifications for Link Up are the same as the qualifications for Lifeline and discounts will not be applied until customer self-certification has been received.

8- West Virginia

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Lifeline

Lifeline is a government subsidized program designed to help eligible low-income households receive home telephone service at a reduced rate. *REACHOUT WIRELESS™* applies the Universal Service Fund subsidy to an allotment of free airtime minutes and *REACHOUT WIRELESS™* provides the wireless handset at the company's expense. Instead of receiving a subsidized monthly telephone bill for Lifeline service, *REACHOUT WIRELESS™* converts the total amount of discounted service into minutes each month for one year. Qualifying households can receive subsidy of up to \$13.60 which includes a company included discount of \$3.60 which equates to sixty-eight (68) free minutes a month.

How do I know if I am eligible?

Eligibility for Lifeline discounts are based on the following.

Program Based Eligibility - Under the Program Based Eligibility Criteria, you are eligible to receive Lifeline discounts if you or a dependent member of your household participates in one or more of the following programs:

- Emergency Assistance
- Medicaid
- Supplemental Nutrition Assistance Program (Food Stamps)
- Supplemental Security Income (SSI)
- Federal Public Housing Assistance or Section 8
- National School Lunch Program's free lunch program
- Temporary Assistance for Needy Families
- Low Income Home Energy Assistance Program (LIHEAP)
- School Clothing Allowance
- WV Children's Health Insurance Program (WV CHIP)

Income Based Eligibility - Currently, customers residing in the state of West Virginia are not eligible to receive Lifeline discounts based on income criteria alone.

Are there any Restrictions?

Lifeline discounts apply only to the primary telephone line of an eligible household. However, additional services are available to qualified Lifeline customers at regular prices.

For additional information, contact a *REACHOUT WIRELESS™* customer service representative at 877-870-9444.

How do I apply?

Individuals claiming eligibility must self-certify, under penalty of perjury, their eligibility through participation in one of the programs listed above.

To apply for Lifeline, or to see if you are eligible, contact a *REACHOUT WIRELESS™* at 877-870-9444.

How do I continue to receive Lifeline benefits?

Eligibility is verified on an annual basis (yearly) at which time the subscriber will be required to self-certify that they are still participating in a qualifying program. Discounts are removed from the account of a customer who is no longer eligible or in the event that proof is not received within the time frame allowed.

Link Up

Link Up helps you save money by providing a discount of up to 50% (maximum of \$30) off of the charges associated with activating your primary service or moving your existing Lifeline service to a new address.

Eligible customers may only receive the Link Up discount one time at their existing address.

The qualifications for Link Up are the same as the qualifications for Lifeline and discounts will not be applied until customer self-certification has been received.

9- Wisconsin

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Lifeline

Lifeline is a government subsidized program designed to help eligible low-income households receive home telephone service at a reduced rate. *REACHOUT WIRELESS™* applies the Universal Service Fund subsidy to an allotment of free airtime minutes and *REACHOUT WIRELESS™* provides the wireless handset at the company's expense. Instead of receiving a subsidized monthly telephone bill for Lifeline service, *REACHOUT WIRELESS™* converts the total amount of discounted service into minutes each month for one year. Qualifying households can receive subsidy of up to \$10.00 which includes a company included discount of \$2.57 which equates to fifty (50) free minutes a month.

How do I know if I am eligible?

Eligibility for Lifeline discounts are based on the following.

Program Based Eligibility - Under the Program Based Eligibility Criteria, you are eligible to receive Lifeline discounts if you or a dependent member of your household participates in one or more of the following programs:

- Food Stamps
- Medicaid
- Low Income Home Energy Assistance Program (LIHEAP)
- Supplemental Security Income (SSI)
- Temporary Assistance for Needy Families (TANF)
- WI Homestead Tax Credit
- Badger Care

Income Based Eligibility - Currently, eligibility is based on program participation only.

Are there any Restrictions?

Lifeline discounts apply only to the primary telephone line of an eligible household. However, additional services are available to qualified Lifeline customers at regular prices.

For additional information, contact a *REACHOUT WIRELESS™* customer service representative at 877-870-9444.

How do I apply?

Individuals claiming eligibility must self-certify, under penalty of perjury, their eligibility through participation in one of the programs listed above.

To apply for Lifeline, or to see if you are eligible, contact a *REACHOUT WIRELESS™* at 877-870-9444.

How do I continue to receive Lifeline benefits?

Eligibility is verified on an annual basis (yearly) at which time the subscriber will be required to self-certify that they are still participating in a qualifying program. Discounts are removed from the account of a customer who is no longer eligible or in the event that proof is not received within the time frame allowed.

Link Up

Link Up helps you save money by providing a discount of up to 50% (maximum of \$30) off of the charges associated with activating your primary service or moving your existing Lifeline service to a new address.

Eligible customers may only receive the Link Up discount one time at their existing address.

The qualifications for Link Up are the same as the qualifications for Lifeline and discounts will not be applied until customer self-certification has been received.

10- New Jersey

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Lifeline

Lifeline is a government subsidized program designed to help eligible low-income households receive home telephone service at a reduced rate. *REACHOUT WIRELESS™* applies the Universal Service Fund subsidy to an allotment of free airtime minutes and *REACHOUT WIRELESS™* provides the wireless handset at the company's expense. Instead of receiving a subsidized monthly telephone bill for Lifeline service, *REACHOUT WIRELESS™* converts the total amount of discounted service into minutes each month for one year. Qualifying households can receive subsidy of up to \$13.60 which equates to sixty (68) free minutes a month.

How do I know if I am eligible?

Eligibility for Lifeline discounts are based on the following.

Program Based Eligibility - Under the Program Based Eligibility Criteria, you are eligible to receive Lifeline discounts if you participate in one or more of the following programs:

- Temporary Assistance for Needy Families (TANF) Work First New Jersey (WFNJ)
- Supplemental Security Income (SSI)
- General Assistance (GA)
- Food Stamps
- Medicaid
- Federal Public Housing Assistance/Section 8
- Low Income Home Energy Assistance Program (LIHEAP)
- Lifeline Utility Credit/Tenants Lifeline Assistance
- Pharmaceutical Assistance to the Aged and Disabled (PAAD)

Income Based Eligibility – Under the Income Based eligibility Criteria, you are eligible if you are 65 and older and your household income level is at or below 150% of the federal poverty guidelines as indicated below.

Number of Persons in Household	Total Annual Household Income	Total Monthly Household Income
1	\$16,245	\$1,353.75
2	\$21,855	\$1,821.25
3	\$27,465	\$2,288.75
4	\$33,075	\$2,756.25
5	\$38,685	\$3,223.75
6	\$44,295	\$3,691.25
7	\$49,905	\$4,158.75
8	\$55,515	\$4,626.25
For Each Additional Person, add	\$5,610	\$467.50

Are there any Restrictions?

Lifeline discounts apply only to the primary telephone line of an eligible household. However, additional services are available to qualified Lifeline customers at regular prices.

For additional information, contact a *REACHOUT WIRELESS™* customer service representative at 877-870-9444.

How do I apply?

Individuals claiming program-based eligibility must self-certify, under penalty of perjury, their eligibility through participation in one of the programs listed above.

Customer's claiming income-based eligibility must sign a form self-certifying, under penalty of perjury, their income and the total number of persons in their household along with documentation that provides proof of income such as a copy of the prior year's tax return. Any other type of documentation, presented as proof of income, must consist of three (3) consecutive months of statements.

Lifeline discounts will not apply until all required documentation is received.

To apply for Lifeline, or to see if you are eligible, contact a *REACHOUT WIRELESS™* 877-870-9444.

How do I continue to receive Lifeline benefits?

Eligibility is verified on an annual basis (yearly) at which time the subscriber will be required to self-certify that they are still participating in a qualifying program. Discounts are removed from the account of a customer who is no longer eligible or in the event that proof is not received within the time frame allowed.

Link Up

Link Up helps you save money by providing a discount of up to 50% (maximum of \$30) off of the charges associated with activating your primary service or moving your existing Lifeline service to a new address.

Eligible customers may only receive the Link Up discount one time at their existing address.

The qualifications for Link Up are the same as the qualifications for Lifeline and discounts will not be applied until customer self-certification has been received.

11- [Maryland](#)

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Lifeline

Lifeline is a government subsidized program designed to help eligible low-income households receive home telephone service at a reduced rate. *REACHOUT WIRELESS™* applies the Universal Service Fund subsidy to an allotment of free airtime minutes and *REACHOUT WIRELESS™* provides the wireless handset at the company's expense. Instead of receiving a subsidized monthly telephone bill for Lifeline service, *REACHOUT WIRELESS™* converts the total amount of discounted service into minutes each month for one year. Qualifying households can receive subsidy of up to \$10.00 which equates to sixty four (64) free minutes a month.

How do I know if I am eligible?

Eligibility for Lifeline discounts are based on the following.

Program Based Eligibility - Under the Program Based Eligibility Criteria, you are eligible to receive Lifeline discounts if you participate in one or more of the following programs:

- Electric Universal Service Program
- Supplemental Security Income (SSI)
- Maryland Energy Assistance Program
- Food Stamps
- Medical Assistance
- Public Assistance to Adults
- Temporary Cash Assistance
- Temporary Disability Assistance Program

Income Based Eligibility - Currently, eligibility is based on program participation only.

Are there any Restrictions?

Lifeline discounts apply only to the primary telephone line of an eligible household. However, additional services are available to qualified Lifeline customers at regular prices.

For additional information, contact a *REACHOUT WIRELESS™* customer service representative at 877-870-9444.

How do I apply?

Individuals claiming program-based eligibility must self-certify, under penalty of perjury, their eligibility through participation in one of the programs listed above.

To apply for Lifeline, or to see if you are eligible, contact a *REACHOUT WIRELESS™* 877-870-9444.

How do I continue to receive Lifeline benefits?

Eligibility is verified on an annual basis (yearly) at which time the subscriber will be required to self-certify that they are still participating in a qualifying program. Discounts are removed from the account of a customer who is no longer eligible or in the event that proof is not received within the time frame allowed.

Link Up

Link Up helps you save money by providing a discount of up to 50% (maximum of \$30) off of the charges associated with activating your primary service or moving your existing Lifeline service to a new address.

Eligible customers may only receive the Link Up discount one time at their existing address.

The qualifications for Link Up are the same as the qualifications for Lifeline and discounts will not be applied until customer self-certification has been received.

12- Georgia

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Lifeline

Lifeline is a government subsidized program designed to help eligible low-income households receive home telephone service at a reduced rate. *REACHOUT WIRELESS™* applies the Universal Service Fund subsidy to an allotment of free airtime minutes and *REACHOUT WIRELESS™* provides the wireless handset at the company's expense. Instead of receiving a subsidized monthly telephone bill for Lifeline service, *REACHOUT WIRELESS™* converts the total amount of discounted service into minutes each month for one year. Qualifying households can receive subsidy of up to \$13.60 which equates to sixty eight (68) free minutes a month.

How do I know if I am eligible?

Eligibility for Lifeline discounts are based on the following.

Program Based Eligibility - Under the Program Based Eligibility Criteria, you are eligible to receive Lifeline discounts if you participate in one or more of the following programs:

- Temporary Assistance for Needy Families (TANF)
- Supplemental Security Income (SSI)
- Food Stamps
- Medicaid
- Federal Public Housing Assistance/Section 8
- Low Income Home Energy Assistance Program (LIHEAP)
- Senior Citizen Low-Income Discount Plan (offered by gas or electric provider)

Income Based Eligibility - Currently, eligibility is based on program participation only.

Are there any Restrictions?

Lifeline discounts apply only to the primary telephone line of an eligible household. However, additional services are available to qualified Lifeline customers at regular prices.

For additional information, contact a *REACHOUT WIRELESS™* customer service representative at 877-870-9444.

How do I apply?

Individuals claiming program-based eligibility must self-certify, under penalty of perjury, their eligibility through participation in one of the programs listed above.

To apply for Lifeline, or to see if you are eligible, contact a *REACHOUT WIRELESS™* 877-870-9444.

How do I continue to receive Lifeline benefits?

Eligibility is verified on an annual basis (yearly) at which time the subscriber will be required to self-certify that they are still participating in a qualifying program. Discounts are removed from the account of a customer who is no longer eligible or in the event that proof is not received within the time frame allowed.

Link Up

Link Up helps you save money by providing a discount of up to 50% (maximum of \$30) off of the charges associated with activating your primary service or moving your existing Lifeline service to a new address.

Eligible customers may only receive the Link Up discount one time at their existing address.

The qualifications for Link Up are the same as the qualifications for Lifeline and discounts will not be applied until customer self-certification has been received.

13- Mississippi

Lifeline

Lifeline is a government subsidized program designed to help eligible low-income households receive home telephone service at a reduced rate. *REACHOUT WIRELESS™* applies the Universal Service Fund subsidy to an allotment of free airtime minutes and *REACHOUT WIRELESS™* provides the wireless handset at the company's expense. Instead of receiving a subsidized monthly telephone bill for Lifeline service, *REACHOUT WIRELESS™* converts the total amount of discounted service into minutes each month for one year. Qualifying households can receive subsidy of up to \$13.60 which includes a company included discount of \$3.60 which equates to sixty-eight (68) free minutes a month.

How do I know if I am eligible?

Eligibility for Lifeline discounts are based on the following.

Program Based Eligibility - Under the Program Based Eligibility Criteria, you are eligible to receive Lifeline discounts if you participate in one or more of the following programs:

- Food Stamps
- Medicaid
- Supplemental Security Income (SSI)
- Temporary Assistance for Needy Families (TANF)
- Low Income Home Energy Assistance Program (LIHEAP)
- National Free School Lunch
- Federal Public Housing Assistance/Section 8, Section 521, Section 202, and Public Housing (including HOPE VI)

Income Based Eligibility – if you do not participate in one of the above public assistance programs, you may qualify if your total household income is at or below 135% of the federal poverty level as indicated below.

Number of Persons in Household	Total Annual Household Income	Total Monthly Household Income
1	\$14,621	\$1,218.42
2	\$19,670	\$1,639.17
3	\$24,719	\$2,059.91
4	\$29,768	\$2,480.67
5	\$34,817	\$2,901.42
6	\$39,866	\$3,322.17
7	\$44,915	\$3,742.92
8	\$49,964	\$4,163.67
For Each Additional Person, add	\$5,049	\$420.75

Are there any Restrictions?

Lifeline discounts apply only to the primary telephone line of an eligible household. However, additional services are available to qualified Lifeline customers at regular prices.

For additional information, contact a *REACHOUT WIRELESS™* customer service representative at 877-870-9444.

How do I apply?

Individuals claiming eligibility must self-certify, under penalty of perjury, their eligibility through participation in one of the programs listed above.

Individuals claiming income-based eligibility must sign a form self-certifying, under penalty of perjury, their total household income and the number of people in their household. In addition, customers must present acceptable documentation of income which includes:

- the prior year's state, federal, or tribal tax return
- current income statement from an employer or paycheck stub
- a Social Security statement of benefits, Veterans Administration statement of benefits, or a retirement/pension statement of benefits

- an Unemployment/Workmen's Compensation statement of benefits
- federal or tribal notice letter of participation in General Assistance
- a divorce decree, child support, or other official document

Discounts will not apply until all required documentation is received.

For additional information, or to request an application form, contact Nexus at 877-870-9444.

How do I continue to receive Lifeline benefits?

Eligibility is verified on an annual basis (yearly) at which time the subscriber will be required to self-certify that they are still participating in a qualifying program. Discounts are removed from the account of a customer who is no longer eligible or in the event that proof is not received within the time frame allowed.

Link Up

Link Up helps you save money by providing a discount of up to 50% (maximum of \$30) off of the charges associated with activating your primary service or moving your existing Lifeline service to a new address.

Eligible customers may only receive the Link Up discount one time at their existing address.

The qualifications for Link Up are the same as the qualifications for Lifeline and discounts will not be applied until customer self-certification has been received.

REACHOUT WIRELESS TRADITIONAL NON-LIFELINE SERVICE

No contract

No credit check

Nationwide coverage

Airtime Cards available at convenient locations

Key Features of REACHOUT WIRELESS™ Non-Lifeline service offering:

Handsets starting at \$9.95

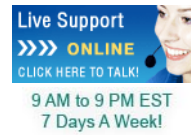
One Time Service Activation Fee of \$72.00 - Optional Deferred Activation Fee - Pay \$30.00 upfront and only \$3.50 a month for twelve months

Free Shipping

Attachment 2



Government-assisted wireless service!
1-877-870-9444



[HOME](#) • [SIMPLE PLAN](#) • [ABOUT US](#) • [RATES](#) • [FEATURES](#) • [COVERAGE](#) • [FAQ](#) • [CONTACT US](#) • [PHONE MANUALS](#) • [BLOG](#) • [UPGRADE PHONE](#) • [ANNUAL RECERTIFICATION](#)

Reachout Wireless Simple Plan

Non-Government Assisted Lifeline Service

The Reachout Wireless Simple Plan is designed for those who want to control their monthly wireless expenses while having the flexibility of choosing an aggressive usage plan or a more conservative low volume plan. Whichever plan you choose, the Simple Plan will ensure that you don't pay for more than you need. Sign up and start saving today!



*Refurbished Phone Models Vary

FREE



UTStarcom CDM-8905

○ \$19.00



LG VX-4700 Phone

○ \$19.00



Kyocera K132

○ \$19.00



Kyocera KX9

○ \$19.00



UT Starcom CDM 8630

○ \$19.00



Samsung A850 - Camera Phone

○ \$25.00



UTStarcom CDM8010 Camera Phone

SOLD OUT



Motorola E-815 - Camera Phone

○ \$25.00



LG VX5200 - Camera Phone

○ \$25.00



Motorola V710 - Camera Phone

○ \$25.00



Motorola V3 Razer - Camera Phone

○ \$25.00



Samsung A930
SOLD OUT



LG VX6000
○ \$25.00



Kyocera K323
○ \$25.00



LG 6190
○ \$25.00



LG VX8000



Nokia 6215i



Samsung u540-Camera Phone



Samsung A870

 Motorola W385 ○ \$29.00	 LG VX8100 ○ \$29.00	 Kyocera E1100 ○ \$29.00	 LG VX8500/The Chocolate-Camera Phone ○ \$29.00
 Nokia 2605-Camera Phone ○ \$39.00	 Nokia 6315-Camera Phone ○ \$39.00	 Samsung A890 ○ \$39.00	 Motorola Z6c-Camera Phone ○ \$49.00
 Motorola Q-Camera Phone ○ \$49.00	 Audiovox 6600 ○ \$59.00	 Palm Treo 650 ○ \$59.00	

Activation Fee Terms and Conditions	Service Activation Fee (SAF):	\$72
	You Pay:	\$30.00
	Deferred Service Activation Fee (SAF):	-\$42.00 (\$3.50 per month for 12 months)
	Initial Installment Activation Fee (SAF):	\$30.00

Phone Hand Set:	\$0
Bonus Minutes:	\$0

Airtime Terms and Conditions	Choose Your Additional Airtime*	No Airtime
	Airtime Fee	\$0

Total Amount *	\$	
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Pay With Credit Card

Type Of Card *

Credit Card Number * - - -

CVV Code *

Expiration Date * -

Name On Card *

Email address

Address *

City *

State *

Zipcode *

Delivery Address

☒ Same as Billing

Address *

(We can deliver to a PO Box)

City *

State *

Zipcode *



Visit One Or All Of These Social Network Sites To Learn More About The
ReachOut Wireless Government Assisted Program Including Bonus Minutes!



*Having a Dispute
with this Company?
Solve it here!*



Government-assisted wireless service!
1-877-870-9444

[HOME](#) • [SIMPLE PLAN](#) • [ABOUT US](#) • [RATES](#) • [FEATURES](#) • [COVERAGE](#) • [FAQ](#) • [PHONE MANUALS](#) • [CONTACT US](#) • [ANNUAL RECERTIFICATION](#)

Activation Fee Terms and Conditions:

Optional Deferred Service Activation Fee Credits: If any additional airtime is added to your REACHOUT WIRELESS account via purchases of additional airtime, a credit will be applied to the remaining balance, if any, to the Service Activation Fee ("SAF") based upon the dollar amount of the purchase. No Optional Deferred Service Activation Fee Credits will be applied if no balance exists on your Service Activation Fee ("SAF"). Optional Deferred Service Activation Fee Credits applied to any remaining Service Activation Fee balance, if any, will be applied as follows:

\$5.00 Additional Airtime	\$1.50 Credit
\$10.00 Additional Airtime	\$3.00 Credit
\$20.00 Additional Airtime	\$6.00 Credit
\$30.00 Additional Airtime	\$9.00 Credit
\$50.00 Additional Airtime	\$15.00 Credit

Deferred Service Activation Fee Credit Bonus

Existing Subscriber Optional Deferred Service Activation Fee Bonus Credits: If you are an existing REACHOUT WIRELESS subscriber and any additional airtime is added to your REACHOUT WIRELESS account via purchases of additional airtime, an additional credit will be applied to the remaining balance, if any, to the Service Activation Fee ("SAF") will be based upon the actual retail face value dollar amount of the purchase. No Optional Deferred Service Activation Fee Credits will be applied if no balance exists on your Service Activation Fee ("SAF"). Optional Deferred Service Activation Fee Bonus Credits applied to any remaining Service Activation Fee balance, if any, will be applied as follows:

\$3.00 Additional Airtime	\$3.00 Credit plus \$0.00 = Credit \$3.00 Credit
\$5.00 Additional Airtime	\$1.50 Credit plus \$3.50 = Credit \$5.00 Credit
\$10.00 Additional Airtime	\$3.00 Credit plus \$7.00 = Credit \$10.00 Credit
\$20.00 Additional Airtime	\$6.00 Credit plus \$14.00 = Credit \$20.00 Credit
\$30.00 Additional Airtime	\$9.00 Credit plus \$21.00 = Credit \$30.00 Credit
\$50.00 Additional Airtime	\$15.00 Credit plus \$35.00 = Credit \$50.00 Credit

New Subscriber Optional Deferred Service Activation Fee Bonus Credits: If you are a new REACHOUT WIRELESS subscriber and any additional airtime is added to your REACHOUT WIRELESS account via purchases of additional airtime, a credit will be applied to the remaining balance, if any, to the Service Activation Fee ("SAF") will be based upon the actual retail face value dollar amount of the purchase. No Optional Deferred Service Activation Fee Credits will be applied if no balance exists on your Service Activation Fee ("SAF"). Optional Deferred Service Activation Fee Bonus Credits applied to any remaining Service Activation Fee balance, if any, will be applied as follows:

\$3.00 Additional Airtime	\$3.00 Credit
\$5.00 Additional Airtime	\$5.00 Credit
\$10.00 Additional Airtime	\$10.00 Credit
\$20.00 Additional Airtime	\$20.00 Credit
\$30.00 Additional Airtime	\$30.00 Credit
\$50.00 Additional Airtime	\$50.00 Credit

Under the Optional Deferred Service Activation Fee Bonus Credit program if a REACHOUT WIRELESS subscriber adds any denomination of monetary value (i.e. \$5.00, or \$5.95, or \$7.95 retail dollar value) the Deferred Service Activation Fee Bonus Credit will be applied to the remaining balance, if any, to the Service Activation Fee ("SAF") based upon the retail face value dollar amount of the purchase, excluding fees or surcharges if any.

[CLICK HERE](#) for complete terms and conditions.

Attachment 3

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

October 27, 2008

IN RE:

APPLICATION OF NEXUS COMMUNICATIONS,
INC. FOR DESIGNATION AS AN ELIGIBLE
TELECOMMUNICATIONS CARRIER

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DOCKET NO.
08-00119

ORDER DESIGNATING NEXUS COMMUNICATIONS, INC. AS AN ELIGIBLE
TELECOMMUNICATIONS CARRIER

This matter came before Chairman Tre Hargett, Director Sara Kyle, and Director Mary W. Freeman of the Tennessee Regulatory Authority (the “Authority” or “TRA”), the voting panel assigned to this docket, at the regularly scheduled Authority Conference held on October 6, 2008, for consideration of the *Application for Designation as an Eligible Telecommunications Carrier* (“*Application*”) filed by Nexus Communications, Inc. (“Nexus”) on July 11, 2008.

BACKGROUND

Nexus filed its *Application* pursuant to 47 U.S.C. § 214(e)(2) and 47 C.F.R. §§ 54.101-54.207 for the purpose of receiving low-income federal universal service support throughout the Tennessee service territories of BellSouth Telecommunications, Inc. d/b/a AT&T Tennessee (“AT&T”). In the *Application*, Nexus states that it satisfies all of the statutory and regulatory requirements for designation as an Eligible Telecommunications Carrier (“ETC”).

Nexus states that it is not seeking ETC designation in any of the rural independent telephone company service areas. Nexus explains that granting the ETC designation will enable it to obtain federal universal support to be used to provide service to its Lifeline customers. Nexus further states that it will be able to offer more low-income Tennesseans affordable,

technologically advanced telecommunications services, which will also serve the public interest in the designated service areas.

FINDINGS AND CONCLUSIONS

To be designated as an ETC, a carrier is required to demonstrate that the designation is in the public interest. An Applicant must show that it is authorized to offer telecommunications services in the area for which it is seeking ETC status. The Applicant also has to provide services supported by the federal universal service support mechanisms and advertise the availability of and charges for such services. The Applicant must also use its own facilities or a combination of its own facilities and resale of another carrier's services to provide telecommunications services. The Applicant is required to make Lifeline service available to qualifying low-income consumers and to advertise such availability of the service in a manner reasonably designed to reach those likely to qualify for the service. Furthermore, the Applicant must use federal universal support only for the provision, maintenance, and upgrading of facilities and services for which the support is intended.¹

During the regularly scheduled Authority Conference on October 6, 2008, the panel considered Nexus' *Petition*. Based upon the entire record, the panel made the following findings.

1. Nexus is authorized to provide telecommunications services in the areas for which it seeks ETC designation.

¹ See 47 U.S.C. § 214 (e)(2) (2005); 47 C.F.R. § 54.201 through 54.207. The Authority has addressed these standards in *In re: Universal Service Generic Contested Case*, Docket No. 97-00888, *Order Establishing Procedures for Designation of Eligible Telecommunications Carriers Pursuant to Section 214(e)(2), of the Telecommunications Act of 1996 and FCC Order 97-157*, pp. 1-5 (November 3, 1997). Further, the Authority has applied the standards in various dockets including *In re: Petition of Cinergy Communications Company for Designation as an Eligible Telecommunications Carrier*, Docket No. 06-00033, *Order Designating Eligible Telecommunications Carrier* (March 30, 2006). Finally, it should be noted that the Authority opened a rulemaking in Docket No. 05-00284 for ETC designation, reporting and Lifeline service. However, the rules are pending approval of the Attorney General's office. Therefore, the rules are not effective and were not applied in this docket.

2. Nexus offers the supported services, which include: voice grade access to the public switched network; local usage; Dual Tone Multi-frequency Signaling or its functional equivalent; single-party service or its functional equivalent; access to emergency services; access to operator services; access to directory assistance; and toll limitation for qualifying low-income customers. Additionally, Nexus demonstrated that it does advertise its service offerings.

3. Nexus utilizes its own facilities, unbundled network elements (“UNEs”) combinations thereof, and resale of another carrier’s services to provide its services.

4. With its Lifeline tariff and its assertions regarding publication or advertisement of Lifeline availability, Nexus demonstrates its compliance with the requirement to publicize and make available Lifeline service.

5. Nexus has demonstrated its intent to use the available federal universal support in a manner that is consistent with the FCC rules by applying the support received as a per-line reduction to its rates for Lifeline customers, and that it will contribute to the maintenance and upgrading of facilities through the service rates and charges it will pay for the use of AT&T UNEs.

6. Designating Nexus as an ETC eligible only for low-income universal service support is in the public interest because (a) Nexus offers its services to rural areas that are reasonably comparable to those provided in urban areas; (b) Nexus does not restrict service offerings to basic service for Lifeline qualified consumers; and (c) Nexus has committed to provide additional competitive enhanced services to consumers in all of the requested AT&T service areas and, if it is designated as an ETC, to apply federal support it receives as discounts, or rate reductions, to its low-income telecommunications services subscribers qualified for Lifeline service.

Thereafter, the panel voted unanimously to grant the *Application* and to designate Nexus as an ETC carrier in the AT&T Tennessee service areas for the purpose of receiving low-income federal universal service support.

IT IS THEREFORE ORDERED THAT:

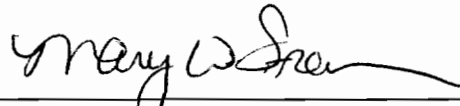
Nexus Communications, Inc.'s *Application for Designation as an Eligible Telecommunications Carrier* is granted.



Tre Hargett, Chairman



Sara Kyle, Director



Mary W. Freeman, Director

Attachment 4

BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE

June 17, 2009

IN RE:)	
)	
APPLICATION OF NEXUS COMMUNICATIONS,)	DOCKET NO.
INC. FOR DESIGNATION AS AN ELIGIBLE)	08-00119
TELECOMMUNICATIONS CARRIER)	

**ORDER GRANTING PETITION FOR CLARIFICATION
AND ISSUANCE OF AMENDED ORDER**

On March 23, 2009, Nexus Communications, Inc. (“Nexus” or “Petitioner”) filed a *Petition of Nexus Communications, Inc. for Clarification of Final Order (“Petition”)* regarding the *Order Designating Nexus Communications, Inc. as an Eligible Telecommunications Carrier (“Order”)* issued in this matter by the Authority on October 27, 2008. The Petitioner requested that the *Order* be amended to clarify two points. First, Nexus requests that the *Order* be amended to include “access to interexchange service” among the supported services named in page 3, paragraph 2. Secondly, the Petitioner requests that the language in paragraph 3 of the *Order* be amended to read “Nexus utilizes its own facilities, unbundled network elements (“UNEs”) combinations thereof, and resale of another carrier’s services to provide its wireline and wireless services.”

The *Petition* came before Chairman Eddie Roberson, Director Sara Kyle, and Director Mary W. Freeman, the voting panel¹ assigned to this docket, at a regularly scheduled Authority Conference held on May 18, 2009. The panel granted Nexus’ request to amend the *Order* in paragraph 2 of page 3 by adding “access to interexchange service” as a ninth supported service. The

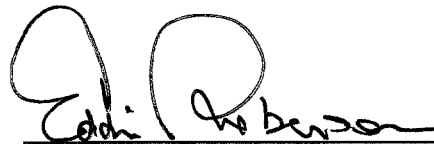
¹ As a result of Chairman Tre Hargett’s resignation on January 15, 2009, a Notice of Reassignment of Panels was filed in this docket on May 8, 2009.

panel further approved to amend the language in paragraph 3 of page 3 of the *Order* to read: “Nexus utilizes its own facilities, unbundled network elements (“UNEs”), combinations thereof, and resale of another carrier’s services to provide its wireline local exchange services.”

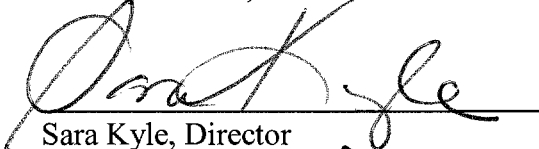
IT IS THEREFORE ORDERED:

1. The *Petition of Nexus Communications, Inc. for Clarification of Final Order* is granted to the extent as set out herein, and an amended order shall be issued consistent with this decision.

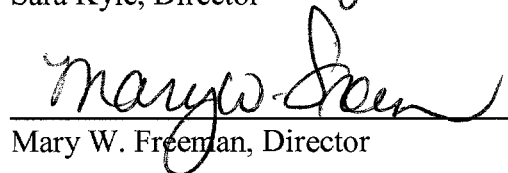
2. The *Amended Order Designating Nexus Communications, Inc. as an Eligible Telecommunications Carrier* is attached hereto as Exhibit A and incorporated by reference.



Eddie Roberson, Chairman



Sara Kyle, Director



Mary W. Freeman, Director

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

IN RE:

APPLICATION OF NEXUS COMMUNICATIONS,
INC. FOR DESIGNATION AS AN ELIGIBLE
TELECOMMUNICATIONS CARRIER

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)
)
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DOCKET NO.
08-00119

AMENDED ORDER DESIGNATING NEXUS COMMUNICATIONS, INC. AS AN
ELIGIBLE TELECOMMUNICATIONS CARRIER

This matter initially came before Chairman Tre Hargett, Director Sara Kyle, and Director Mary W. Freeman of the Tennessee Regulatory Authority (the “Authority” or “TRA”), the voting panel assigned to this docket, at the regularly scheduled Authority Conference held on October 6, 2008, for consideration of the *Application for Designation as an Eligible Telecommunications Carrier* (“*Application*”) filed by Nexus Communications, Inc. (“Nexus”) on July 11, 2008. This matter subsequently came before Chairman Eddie Roberson, Director Sara Kyle, and Director Mary W. Freeman, the voting panel,¹ who authorized the issuance of this amended order at a regularly scheduled Authority Conference held on May 18, 2009 in response to the *Petition of Nexus Communications, Inc. for Clarification of Final Order* filed on March 23, 2009.

BACKGROUND

Nexus filed its *Application* pursuant to 47 U.S.C. § 214(e)(2) and 47 C.F.R. §§ 54.101-54.207 for the purpose of receiving low-income federal universal service support throughout the Tennessee service territories of BellSouth Telecommunications, Inc. d/b/a AT&T Tennessee

¹ As a result of Chairman Tre Hargett’s resignation on January 15, 2009, a Notice of Reassignment of Panels was filed in this docket on May 8, 2009.

(“AT&T”). In the *Application*, Nexus states that it satisfies all of the statutory and regulatory requirements for designation as an Eligible Telecommunications Carrier (“ETC”).

Nexus states that it is not seeking ETC designation in any of the rural independent telephone company service areas. Nexus explains that granting the ETC designation will enable it to obtain federal universal support to be used to provide service to its Lifeline customers. Nexus further states that it will be able to offer more low-income Tennesseans affordable, technologically advanced telecommunications services, which will also serve the public interest in the designated service areas.

FINDINGS AND CONCLUSIONS

To be designated as an ETC, a carrier is required to demonstrate that the designation is in the public interest. An Applicant must show that it is authorized to offer telecommunications services in the area for which it is seeking ETC status. The Applicant also has to provide services supported by the federal universal service support mechanisms and advertise the availability of and charges for such services. The Applicant must also use its own facilities or a combination of its own facilities and resale of another carrier’s services to provide telecommunications services. The Applicant is required to make Lifeline service available to qualifying low-income consumers and to advertise such availability of the service in a manner reasonably designed to reach those likely to qualify for the service. Furthermore, the Applicant must use federal universal support only for the provision, maintenance, and upgrading of facilities and services for which the support is intended.²

² See 47 U.S.C. § 214 (e)(2) (2005); 47 C.F.R. § 54.201 through 54.207. The Authority has addressed these standards in *In re: Universal Service Generic Contested Case*, Docket No. 97-00888, *Order Establishing Procedures for Designation of Eligible Telecommunications Carriers Pursuant to Section 214(e)(2), of the Telecommunications Act of 1996 and FCC Order 97-157*, pp. 1-5 (November 3, 1997). Further, the Authority has applied the standards in various dockets including *In re: Petition of Cinergy Communications Company for Designation as an Eligible Telecommunications Carrier*, Docket No. 06-00033, *Order Designating Eligible Telecommunications Carrier* (March 30, 2006). Finally, it should be noted that the Authority opened a rulemaking in Docket No. 05-00284 for ETC designation, reporting and Lifeline service. However, the rules are pending approval of the Attorney General’s office. Therefore, the rules are not effective and were not applied in this docket.

During the regularly scheduled Authority Conference on October 6, 2008, the panel considered Nexus' *Petition*. Based upon the entire record, the panel made the following findings.

1. Nexus is authorized to provide telecommunications services in the areas for which it seeks ETC designation.

2. Nexus offers the supported services, which include: voice grade access to the public switched network; local usage; Dual Tone Multi-frequency Signaling or its functional equivalent; single-party service or its functional equivalent; access to emergency services; access to operator services; access to directory assistance; access to interexchange service; and toll limitation for qualifying low-income customers. Additionally, Nexus demonstrated that it does advertise its service offerings.

3. Nexus utilizes its own facilities, unbundled network elements ("UNEs"), combinations thereof, and resale of another carrier's services to provide its wireline local exchange services.

4. With its Lifeline tariff and its assertions regarding publication or advertisement of Lifeline availability, Nexus demonstrates its compliance with the requirement to publicize and make available Lifeline service.

5. Nexus has demonstrated its intent to use the available federal universal support in a manner that is consistent with the FCC rules by applying the support received as a per-line reduction to its rates for Lifeline customers, and that it will contribute to the maintenance and upgrading of facilities through the service rates and charges it will pay for the use of AT&T UNEs.

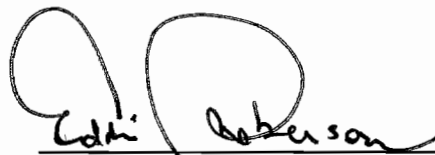
6. Designating Nexus as an ETC eligible only for low-income universal service support is in the public interest because (a) Nexus offers its services to rural areas that are reasonably comparable to those provided in urban areas; (b) Nexus does not restrict service

offerings to basic service for Lifeline qualified consumers; and (c) Nexus has committed to provide additional competitive enhanced services to consumers in all of the requested AT&T service areas and, if it is designated as an ETC, to apply federal support it receives as discounts, or rate reductions, to its low-income telecommunications services subscribers qualified for Lifeline service.

Thereafter, the panel voted unanimously to grant the *Application* and to designate Nexus as an ETC carrier in the AT&T Tennessee service areas for the purpose of receiving low-income federal universal service support.

IT IS THEREFORE ORDERED THAT:

Nexus Communications, Inc.'s *Application for Designation as an Eligible Telecommunications Carrier* is granted.



Eddie Roberson, Chairman



Sara Kyle, Director



Mary W. Freeman, Director

Attachment 5

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

August 2, 2010

IN RE:)	
)	
PETITION FOR DECLARATORY RULING)	DOCKET NO.
AND NUNC PRO TUNC DESIGNATION OF)	10-00083
NEXUS COMMUNICATIONS AS AN ELIGIBLE)	
TELECOMMUNICATIONS CARRIER TO)	
OFFER WIRELESS SERVICE IN TENNESSEE)	

ORDER REFUSING ISSUANCE OF DECLARATORY RULING

This matter came before Chairman Sara Kyle, Director Kenneth C. Hill and Director Mary W. Freeman of the Tennessee Regulatory Authority (“Authority” or “TRA”), the voting panel assigned to this docket, at a regularly scheduled Authority Conference held on May 24, 2010, for consideration of the *Petition for Declaratory Ruling and Nunc Pro Tunc Designation of Nexus Communications as an Eligible Telecommunications Carrier to Offer Wireless Service in Tennessee* (“*Petition*”) filed by Nexus Communications, Inc. (“Nexus”) on April 28, 2010.

BACKGROUND & PROCEDURAL HISTORY

On October 18, 2007, Nexus filed with the Authority an application for a Certificate of Public Convenience and Necessity (“CCN”) to provide competing facilities-based and resold local telecommunications services in Tennessee.¹ In its application, among other things, Nexus stated that it would be providing service through an interconnection/resale agreement with

¹ See *In re: Application of Nexus Communications, Inc. for a CCN to Provide Competing Local Exchange and Interexchange Telecommunications Services in Tennessee*, Docket No. 07-00241, *Application of Nexus Communications, Inc. for Authority to Provide Competing Local Exchange & Interexchange Service* (October 18, 2007).

BellSouth Telecommunications, Inc. d/b/a AT&T Tennessee (“AT&T Tennessee”) and had no plans to install facilities.² Nexus further agreed to adhere to all Authority policies, rules, and orders and to submit wireline activity reports as required.³ The application, however, makes no mention of Nexus providing wireless service in Tennessee. In an Order dated January 8, 2008, the TRA granted Nexus’ application for a CCN, authorizing Nexus to provide competing facilities-based and resold local telecommunications services in Tennessee as described in its application.⁴

On July 11, 2008, Nexus filed an application for designation as an eligible telecommunications carrier (“ETC”) with the Authority in Docket No. 08-00119.⁵ In its ETC application, Nexus stated that it was applying for designation in the service territory of AT&T Tennessee and provided a list of the wire centers for which it requested ETC status.⁶ In addition, Nexus stated that it was seeking designation only for low-income support⁷ and affirmed that it satisfied all statutory requirements for designation.⁸ Consistent with its CCN application, Nexus’ ETC application also omitted any mention that Nexus provided wireless service or that it intended to provide wireless service as an ETC.

² *Id.* at 1 and 7.

³ *Id.* at 11 and 13.

⁴ See *In re: Application of Nexus Communications, Inc. for a CCN to Provide Competing Local Exchange and Interexchange Telecommunications Services in Tennessee*, Docket No. 07-00241, *Initial Order Granting Certificate of Public Convenience and Necessity* (January 8, 2008).

⁵ See *In re: Application of Nexus Communications, Inc. for Designation as an Eligible Telecommunications Carrier*, Docket No. 08-00119, *Application for Designation as an Eligible Telecommunications Carrier* (July 11, 2008).

⁶ *Id.*

⁷ Lifeline and Link Up are two components of the Low Income Program of the Universal Service Fund. The Fund, administered by the Universal Service Administration Company (“USAC”), is designed to ensure that quality telecommunications services are available to low-income customers at just, reasonable and affordable rates. Lifeline support lowers the monthly charge of basic telephone service for eligible consumers. Link Up support reduces the cost of initiating new telephone service. The Federal Communications Commission’s rules concerning Lifeline and Link Up are codified at 47 C.F.R. § 54.400-417. See, *Assessment of Payments Made Under the Universal Service Fund’s Low Income Program*, 2008 WL 5205212 (2008).

⁸ See *In re: Application of Nexus Communications, Inc. for Designation as an Eligible Telecommunications Carrier*, Docket No. 08-00119, *Application for Designation as an Eligible Telecommunications Carrier* (July 11, 2008).

Thereafter, the Authority conducted a review of Nexus' qualifications in accordance with the information provided by Nexus in its ETC application. On October 27, 2008, finding the statutory requirements satisfied, the TRA granted Nexus' ETC application and, based thereon, issued an Order designating Nexus as an ETC in the Tennessee service area footprint of AT&T Tennessee.⁹ As designated by a state commission, like the TRA, Nexus' ETC designation enables it to receive federal low-income universal service support funding in accordance with, and subject to, the authority of the state commission to grant such designation under both state and federal law.¹⁰

Subsequently, on March 23, 2009, Nexus filed a petition requesting that the TRA amend its ETC Order to describe Nexus' services in Tennessee as "wireline and wireless."¹¹ Nexus' request for modification of the ETC Order revealed for the first time that Nexus serves its customers using both wireline and wireless technologies. On June 7, 2009, the TRA declined to amend the language of the ETC Order as Nexus requested and instead amended its ETC Order to definitively state that Nexus had ETC designation for "wireline local exchange services."¹²

On November 25, 2009, Steven Fenker, President of Nexus, filed a letter in Docket No. 08-00119 indicating that, based on the TRA's orders, Nexus applied for and was assigned two Study Area Codes enabling it to receive federal universal service low-income funding for the

⁹ See *In re: Application of Nexus Communications, Inc. for Designation as an Eligible Telecommunications Carrier*, Docket No. 08-00119, *Order Designating Nexus Communications, Inc. as an Eligible Telecommunications Carrier* ("ETC Order") (October 27, 2008).

¹⁰ 47 U.S.C.A. §§ 254(e) and §214(e)(2) and (6).

¹¹ See *In re: Application of Nexus Communications, Inc. for Designation as an Eligible Telecommunications Carrier*, Docket No. 08-00119, *Petition of Nexus Communications, Inc. for Clarification of Final Order* ("Petition for Clarification") (March 23, 2009).

¹² See *In re: Application of Nexus Communications, Inc. for Designation as an Eligible Telecommunications Carrier*, Docket No. 08-00119, *Order Granting Petition for Clarification and Issuance of Amended Order*, p. 2, and attached thereto, *Amended Order Designating Nexus Communications, Inc. as an Eligible Telecommunications Carrier* ("Amended ETC Order"), p. 3 ¶3 (June 7, 2009).

provision of Lifeline service using both wireline and wireless technologies.¹³ In his letter, Mr. Fenker asserted that such action was consistent with Nexus' interpretation of Federal Communications Commission ("FCC") Rule 54.201(h), which directs state commissions to designate ETC status to qualified carriers regardless of the technology used to provide service. Moreover, Nexus contended that FCC rule § 54.201(h) broadly authorizes a state-designated ETC to provide service to, and receive federal universal service support funding for, low-income customers using any technology the carrier wishes to offer.¹⁴ In addition, Mr. Fenker stated that Nexus, as a "certified carrier," is subject to TRA enforcement of Lifeline and Link Up regulations as to both wireline and wireless service. Yet, Nexus also stated that it "voluntarily submits" to the TRA's jurisdiction and would comply with TRA rulings enforcing state and federal Lifeline and Link Up regulations "irrespective of the technology Nexus uses to provide service."¹⁵

THE PETITION

Subsequent to its notification from USAC that certain universal service support payments made to Nexus for wireless ETC service were not authorized,¹⁶ Nexus filed on April 28, 2010, a *Petition* urging the Authority to declare that the TRA has jurisdiction under federal and state law to designate Nexus as a wireless ETC, and further, to declare *nunc pro tunc* that Nexus' ETC designation includes authority to provide a wireless low-income offering, *i.e.*, Lifeline and/or Link Up service, in Tennessee.¹⁷ In its *Petition*, Nexus acknowledges that neither the initial ETC

¹³ See *In re: Application of Nexus Communications, Inc. for Designation as an Eligible Telecommunications Carrier*, Docket No. 08-00119, Letter from Steven Fenker, President, Nexus Communications, Inc. (November 25, 2009).

¹⁴ *Id.*

¹⁵ *Id.*

¹⁶ As referenced in the *Petition*, p. 4 ¶ 13, a letter dated April 16, 2010, from USAC indicated that because Nexus did not appear to be authorized or designated by the TRA to provide wireless ETC service, disbursement of subsidies to Nexus for wireless low-income program subscribers would be discontinued and further, USAC might seek reimbursement from Nexus of monies previously paid to it for such unauthorized services.

¹⁷ *Petition for Declaratory Ruling and Nunc Pro Tunc Designation of Nexus Communications as an Eligible Telecommunications Carrier to Offer Wireless Service in Tennessee ("Petition")* (April 28, 2010).

Order nor the Amended ETC Order mentioned or specifically granted authority to Nexus to provide wireless ETC services.¹⁸ Despite this admission, Nexus reiterates its earlier contentions that based on the TRA's orders designating Nexus as an ETC and Nexus' interpretation of FCC Rules, specifically 47 C.F.R. § 54.201(h), it is justified in applying for and obtaining two Study Area Codes to provide federally-subsidized service to low-income customers using wireline¹⁹ and wireless technologies.²⁰

In its *Petition*, Nexus further asserts that the Authority is empowered to authorize Nexus to provide federally subsidized low-income wireless service not only under federal law, but also under state law.²¹ At paragraph 17, Nexus proffers its interpretation of Tenn. Code Ann. § 65-4-101(6)(F) concerning the limits of regulation upon providers of "domestic public cellular radio telephone service," commonly known as commercial mobile radio service ("CMRS") or wireless telephone service, and the statute's classification of providers of such services as "nonutilities." According to Nexus, Tenn. Code Ann. § 65-4-101(6)(F) does not preclude but, instead, preserves, the exercise of TRA jurisdiction over the wireless service of a certificated carrier that is subject to regulation under Chapter 5 of Title 65.²²

Nexus asserts that Tenn. Code Ann. § 65-4-101(6)(F) distinguishes between a CMRS provider that exclusively offers wireless service in competition with another CMRS provider and a CMRS provider that is classified as a public utility due to also furnishing services regulated by

¹⁸ *Petition*, pp. 2-3, ¶¶ 2 and 7 (April 28, 2010).

¹⁹ *Petition*, p. 3, ¶¶ 8-9 and footnote 2 (April 28, 2010) ("Nexus applied for a wireline code on July 24, 2009, and received it two days later on July 31, 2009."); see also, *Affidavit of Steven Fenker* attached to *Petition*, ¶ 16 (April 28, 2010) ("On July 29, 2009 Nexus submitted to USAC a Study Area Code ("SAC Code") request form for technology type 'wireline.' USAC after only a two day review of the Original Order issued Nexus a separate 'wireline' SAC Code on July 31, 2009.").

²⁰ *Petition*, p. 3 (April 28, 2010) ("Two months later, on August 21, 2009, USAC issued Nexus a wireless code for Tennessee."); see also, *Affidavit of Steven Fenker* attached to *Petition*, ¶ 15 (April 28, 2010) ("USAC after a two month review of the application and an analysis of both Orders, finally issued Nexus a separate "wireless" SAC Code on August 21, 2009.").

²¹ *Petition*, p. 5, ¶¶ 16-17.

²² *Petition*, pp. 5-6, ¶ 17(a-g).

the TRA. Further, Nexus contends that because it is subject to TRA jurisdiction for its wireline/landline services, it is likewise subject to TRA regulation as a CMRS provider for its wireless service, at least insofar as concerns designation of ETC.²³

On May 11, 2010, Nexus filed an *Amendment to Petition* supplementing its interpretation of the statutory provision at issue and inserting an additional argument in support of its assertion that the TRA's jurisdiction currently includes wireless telephone service. In its *Amendment to Petition*, Nexus asserts that the language of Tenn. Code Ann. § 65-4-101(6)(F) acts to deregulate only certain entities that provide wireless service, and not the service itself.²⁴ To illustrate its point, Nexus offers its comparative analysis of the language of the subject statute with language found in Tenn. Code Ann. § 65-5-203 (2006), which prohibits the exercise of TRA jurisdiction over broadband services. Based on its comparison of the statutes, Nexus contends that the regulatory exemption found in Tenn. Code Ann. § 65-4-101(6)(F) is not for uniform application. Rather, Nexus surmises that had the legislature intended to exempt wireless service from the TRA's jurisdiction, it could have done so using the language of the later-enacted broadband statute.²⁵ In other words, because Tenn. Code Ann. § 65-4-101(6)(F)²⁶ does not utilize language identical to the 2006 broadband statute, this somehow evidences an intent to provide, and not to remove, TRA jurisdiction for particular entities only, *i.e.*, that providers of wireless service that also offer a service that the TRA has jurisdiction to regulate, should be subject to TRA regulation for services that it provides that the TRA would not otherwise have jurisdiction.

Finally, Nexus contends that because it purports to supply landline telephone service and does not exclusively provide wireless telephone services and, thus, "is not one of those entities"

²³ *Petition*, p. 6, ¶ 17(d-f).

²⁴ *Amendment to Petition* (May 11, 2010).

²⁵ *Id.*

²⁶ Tenn. Code Ann. § 65-4-101(6)(F) was enacted prior to 1995, while the Tennessee Public Service Commission ("TPSC") was still in existence. In 1995, the 99th General Assembly abolished the TPSC and thereafter created the TRA in its stead to effectively govern and regulate public utilities in the state of Tennessee.

to which, under its interpretation of the statute, the regulatory exemption applies.²⁷ That is, because the TRA has jurisdiction over Nexus' landline service, it follows that the TRA also has jurisdiction and authority over Nexus' wireless service - but only to the extent necessary to designate it eligible to receive federal subsidies for wireless service to qualified low-income consumers. In short, Nexus claims that as a certificated competing local exchange carrier ("CLEC"), and therefore a public utility subject to TRA jurisdiction, it is and remains a public utility, if not for all of its services, then at least for the limited purpose of receiving wireless ETC designation.

FINDINGS AND CONCLUSIONS

In this docket, Nexus asks the TRA to declare that it has jurisdiction under federal and state law to designate Nexus as a wireless ETC provider, and further, to declare *nunc pro tunc* that the ETC designation for wireline services granted to Nexus by the TRA on October 27, 2008, included authority to provide wireless Lifeline and Link Up services in Tennessee, thereby, making Nexus eligible as of that date to receive federal universal support funding for provision of wireless services.

To preserve and advance universal telecommunications service, the United States Congress has made federal funding, or subsidies, available to telecommunications carriers that meet certain minimum requirements.²⁸ The Authority agrees with Nexus insofar as that, under federal law, state commissions, such as the TRA, hold relatively broad power to designate as ETCs telecommunications carriers that meet those requirements, thereby enabling such carriers to receive federal universal service subsidies.²⁹ In addition, under 47 C.F.R. § 54.201(h), a state commission that determines that a carrier has satisfied the prerequisites for ETC designation is

²⁷ *Id.*

²⁸ 47 U.S.C.A. § 254(e).

²⁹ 47 U.S.C.A. § 214(e)(2).

not restricted from granting, nor permitted to deny, ETC designation due to such carrier's chosen method of distributing service.³⁰ The TRA further recognizes that when a carrier seeking ETC designation is not subject to the jurisdiction of a state commission, whether due to the nature or geographical location of its service, federal law directs that the FCC perform the designation.³¹

Notwithstanding the potential authority that the TRA may have under federal law, ultimately, the TRA is a legislatively created body of the state and empowered only to exercise the jurisdiction, power, and authority delegated to it by the Tennessee General Assembly.³² In *BellSouth Advertising & Publishing Corp. v. TRA*, the Supreme Court of Tennessee stated, "In defining the authority of the TRA, this Court has held that '[a]ny authority exercised by the TRA must be the result of an express grant of authority by statute or arise by necessary implication from the expressed statutory grant of power.'"³³ The General Assembly has charged the TRA with "general supervisory and regulatory power, jurisdiction and control over all *public utilities*" within Tennessee.³⁴

While "public utility" is defined broadly within Tenn. Code Ann. § 65-4-101, the General Assembly has expressly excluded "nonutilities" from the TRA's jurisdiction.³⁵ "Nonutilities" has been defined to include any entity "offering domestic public cellular radio telephone service" (*i.e.*, CMRS and wireless service providers):³⁶

(6) . . . "Public utility" as defined in this section shall not be construed to include the following *nonutilities*:

(F) Any individual, partnership, copartnership, association, corporation or joint stock company offering *domestic public cellular radio telephone service* authorized by the federal communications commission . . .³⁷

³⁰ 47 C.F.R. § 54.201(h).

³¹ 47 U.S.C.A. § 214(e)(6).

³² *BellSouth Advertising & Publishing Corp. v. Tennessee Regulatory Auth.*, 79 S.W.3d 506, 512 (Tenn. 2002); *Tennessee Pub. Serv. Comm'n v. Southern Ry. Co.*, 554 S.W.2d 612, 613 (Tenn. 1977).

³³ *Id.*

³⁴ Tenn. Code Ann. § 65-4-104 (*emphasis added*).

³⁵ Tenn. Code Ann. § 65-4-101(6).

³⁶ Tenn. Code Ann. § 65-4-101(6)(F).

³⁷ Tenn. Code Ann. § 65-4-101(6)(F) (*emphasis added*).

In addition, the statute provides a regulatory exception to the complete removal of regulatory authority over such providers so long as competition is restricted to one CMRS provider in the same cellular geographical area. Even then, the TRA has limited jurisdiction to review only the customer rates of such providers:

. . . until at least two (2) entities, each independent of the other, are authorized by the federal communications commission to offer domestic public cellular radio telephone service in the same cellular geographic area within the state, the *customer rates **only** of a company offering domestic public cellular radio telephone service shall be subject to review by the Tennessee Regulatory Authority* pursuant to §§ 65-5-101 – 65-5-104. . .³⁸

The TRA's delegated authority over wireless service providers is limited to rates, conditioned on and extending only until the FCC has authorized two wireless providers to offer service in the same cellular geographical area of the state. Expressly set out within the statutory provision itself is the triggering event that rescinds the TRA's limited grant of jurisdiction over wireless providers:

. . . *Upon existence in a cellular geographical area of the conditions set forth in the preceding sentence, domestic public cellular radio telephone service in such area [where the FCC has authorized two providers], for all purposes, shall automatically cease to be treated as a public utility. . . . The [TRA's] authority . . . is expressly limited [to the absence of two authorized providers] and the authority shall have no authority over resellers of domestic public cellular radio telephone service. . . . This subdivision (6)(F) does not affect, modify or lessen the regulatory authority's authority over public utilities that are subject to regulation pursuant to chapter 5 of this title.*³⁹

The TRA has long recognized the plain language of Tenn. Code Ann. § 65-4-101(6)(F) limits, and removes, the TRA's authority over wireless service providers. Thus, the TRA has consistently acknowledged its lack of state-delegated authority over CMRS providers in both the

³⁸ *Id.*

³⁹ *Id.*

broad sense⁴⁰ and specifically as to ETC designation.⁴¹ As set forth extensively above, Nexus sought a ruling on the issue of wireless ETC designation previously when it filed its *Petition for Clarification* with the Authority in Docket No. 08-00119.⁴² Consistent with its previous rulings on matters involving wireless service, the Authority finds that it does not have jurisdiction over wireless providers based on the express definition of “nonutilities” found in Tenn. Code Ann. § 65-4-101(6)(F), and therefore, specifically does not have subject matter jurisdiction over the precise issue upon which the Company seeks a declaratory ruling.

Tenn. Code Ann. § 4-5-223⁴³ provides that a state agency, upon petition for a declaratory order, must either convene a contested case hearing and issue a declaratory order or refuse to issue a declaratory order within sixty days of receipt of the petition. In the case of *Hughley v. State*, the Tennessee Supreme Court found that the lack of a contested case hearing on the

⁴⁰ See *In re: Sprint Communications Company, L.P.*, Docket No. 96-01411, *Final Order of Arbitration Awards* (March 26, 1997), PUR Slip Copy, 1997 WL 233027 *5 (during an Arbitration Conference held on March 26, 1997, the Authority acknowledged its lack of jurisdictional authority to regulate cellular wireless providers when, in ruling on a dispute between Sprint and BellSouth concerning the placement of combined traffic types (local, toll, and wireless) on the same trunk groups, and despite ultimately voting two to one on the specific issue, the Authority panel members all agreed that the Authority lacked jurisdiction over wireless.)

⁴¹ See *In re: Application of Advantage Cellular Systems, Inc. to be Designated as an Eligible Telecommunications Carrier*, Docket No. 02-01245, *Order* (April 11, 2003) (dismissing the application of Advantage Cellular Systems, Inc. for designation as an ETC because, as Advantage Cellular was a CMRS provider, the TRA lacked subject matter jurisdiction because the definition of public utilities under Tenn. Code Ann. § 65-4-101 specifically excludes CMRS providers. In addition the panel noted that under 47 U.S.C.A. § 214(e)(6), the FCC is authorized to perform ETC designations for carriers that are not subject to TRA jurisdiction and that its *Order* serves as an affirmative statement that it lacks jurisdiction to perform the ETC designation as to CMRS carriers.)

⁴² See *In re: Application of Nexus Communications, Inc. for Designation as an Eligible Telecommunications Carrier*, Docket No. 08-00119, *Petition of Nexus Communications, Inc. for Clarification of Final Order* (March 23, 2009).

⁴³ Tenn. Code Ann. § 4-5-223(a) provides:

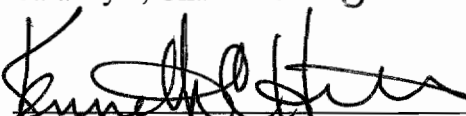

- (a) Any affected person may petition an agency for a declaratory order as to the validity or applicability of a statute, rule, or order within the primary jurisdiction of the agency. The agency shall:
 - (1) Convene a contested case hearing pursuant to the provisions of this chapter and issue a declaratory order, which shall be subject to review in the chancery court of Davidson County, unless otherwise specifically provided by statute, in the manner provided for the review of decisions in contested cases; or
 - (2) Refuse to issue a declaratory order, in which event the person petitioning the agency for a declaratory order may apply for a declaratory judgment as provided in § 4-5-225.

Tenn. Code Ann. § 4-5-223(c) states, “[i]f an agency has not set a petition for declaratory order for a contested case hearing within sixty (60) days after receipt of the petition, the agency shall be deemed to have denied the petition and to have refused to issue a declaratory order.”

petition constitutes refusal to issue a declaratory order under Tenn. Code Ann. § 4-5-223(a)(2), even when the agency provides a decision with reasons that may go to the merits of the petition.⁴⁴ Accordingly, for the above stated reasons, the panel voted unanimously to refuse to issue a declaratory order pursuant to Tenn. Code Ann. § 4-5-223(a)(2).

IT IS THEREFORE ORDERED THAT:

In accordance with Tenn. Code Ann. § 4-5-223(a)(2), the Tennessee Regulatory Authority refuses to issue a declaratory order on the *Petition for Declaratory Ruling and Nunc Pro Tunc Designation of Nexus Communications as an Eligible Telecommunications Carrier to Offer Wireless Service in Tennessee* filed by Nexus Communications, Inc.


Sara Kyle, Chairman
Kenneth C. Hill, Director
Mary W. Freeman, Director

⁴⁴ *Hughley v. State*, 208 S.W.3d 388 (Tenn. 2006) (holding that a letter of denial from the Department of Correction, issued without a hearing in response to a petition for declaratory order, is not equivalent to a “final order” in a contested case proceeding even when such response is issued after research and analysis of petitioner’s grounds for seeking same and purports to deny petitioner’s claims on the merits, and accordingly, the sixty-day statute of limitations established in Tenn. Code Ann. § 4-5-322(b)(1) is not applicable.).